

NAM HEALTH CARE

FAQs

General

What is NAM Health Care?

An association health plan (AHP) that meets the unique healthcare needs of manufacturers. (In some states it will be an Affinity Small Group Health Plan.) Both AHP and ASG include vision, dental, and life insurance

What is an Association Health Plan (AHP)?

An Association Health Plan (AHP) is a health plan offered by a group of employers within an association. NAM is a bona fide pre-rule industry-based Association Health Plan (AHP). Being an AHP allows member manufacturing companies to band together to manage and purchase coverages typically enjoyed by larger manufacturing companies — and at a manageable price. NAM is the plan sponsor for NAM Health Care.



Plan sponsored by bona fide Association Health Plan under old “today” rules	Plan sponsored by bona fide association under new Association Health Plan rule
Commonality by industry/trade	Commonality may include geography (to state level)
Primary purpose other than providing health benefits	Primary purpose can be health care but not sole purpose
Governance provided by membership	Sole proprietors and individual contractors

What if an employer doesn't meet the definition needed for AHP?

The company may qualify for an Affinity Small Group (ASG) plan. While not the target focus of NAM Health Care, ASG might also be obtained depending on the state your company is headquartered in.

See below the differences between an Association Health Plan (AHP) and Affinity Small Group (ASG)

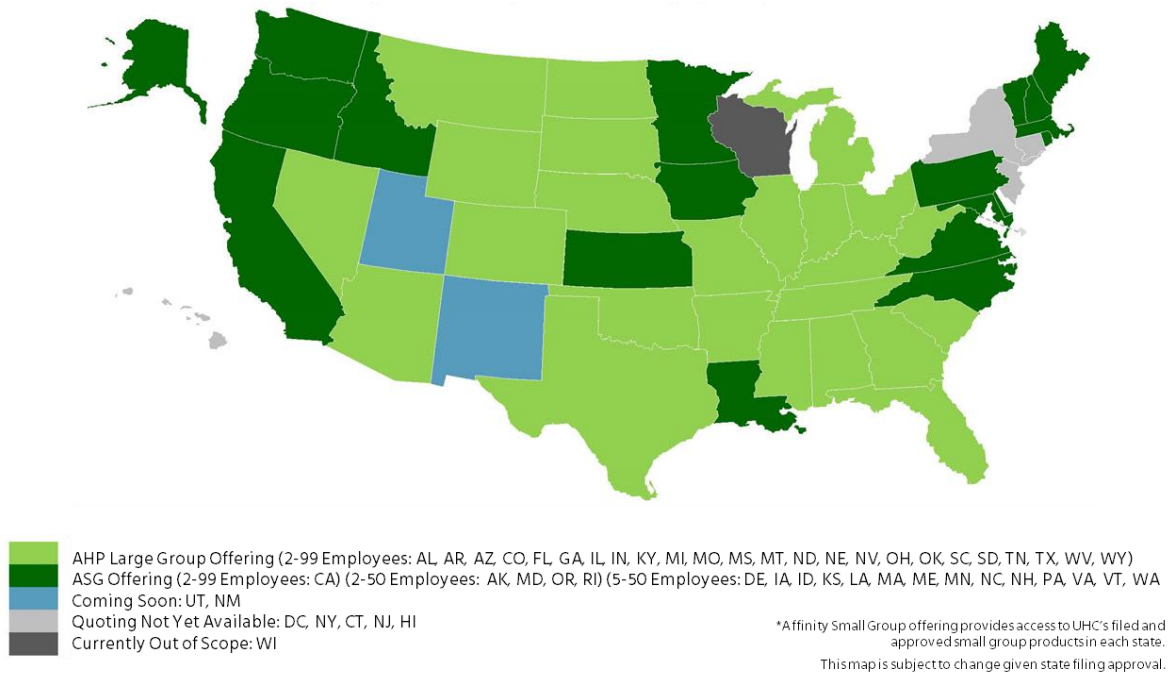
ASSOCIATION HEALTH PLAN	AFFINITY SMALL GROUP
Large group plan with NAM as plan sponsor	Small group Medical policy for each member company
Plan designs specifically tailored for manufacturing companies <ul style="list-style-type: none"> • 33 Medical* (<i>including Rx</i>) • 5 Dental • 2 Vision • Basic Life *Chicago and Detroit metro areas – narrow network plans available	Access to UHC's small group products with plans specifically selected for manufacturers (differs by state)
Favorable AHP regulatory environment	Only available option for states not favorable to AHPs
Employers with 2-99 eligible employees (<i>some exceptions per state – refer to map</i>)	Employers with 5-50 W-2 employees (Calculation of 50 W-2 employees varies by state)
Requirements: Employer must contribute at least 50% of single rate, 50% of eligible employees must enroll	Adjusted community rating; ACA compliant
Employers with 100+ employees will be individually underwritten and issued a separate large group policy	

What is the scope of availability geographically? U.S., Canada, Mexico, etc.?

The scope of NAM Health Care is limited to the United States.

What states would be association health plans vs. affinity small group health?

Please refer to the state map below.



Many of our members have their own insurance brokers, would they be able to get a quote from NAM Health Care? How would that work?

NAM AHP will operate under an open distribution model; this means all UnitedHealthcare appointed agents are able to get a NAM AHP proposal for their clients. In states where the Association Health Plan (AHP) is offered, agents should contact their local UHC representative for assistance in obtaining a proposal. If the employer group is in a state where the Affinity Small Group offering is available, they will not have access to the NAM program via another broker. **Remember the agent must be licensed in Michigan and appointed with United Healthcare to obtain a quote through NAM Health Care.*

If we already offer a health insurance product, can we also offer NAM Health Care?

The NAM Health Care offering is required to be an exclusive product offering, meaning employer groups cannot offer other medical or ancillary products to the employees.

Who approves the plans?

The Association Health plan designs are approved by the NAM Association Governance Committee. This committee is comprised of NAM member companies. For the Affinity Small Group health solution we are gaining access to United Healthcare® small group filed plans in available states.

Can our association serve on the governing committee?

The governance committee will be comprised of NAM employer group representatives and will have governance over the health plan offering. Any of the participating employers may apply to serve on the governing committee.

Can manufacturers stay on their current renewal date?

Yes, member employer groups are able to get quotes and sign up for benefits based upon when their current plan year's renewal date. Plans will be effective on the 1st of the month and can be quoted 90 days in advance of the effective date.

How is PHI protected?

For the quoting and communications efforts, we do not need any PHI data from you or your members.

Is NAM Health Care ACA compliant?

NAM Health Care is Affordable Care Act compliant. Association Health Plans are considered large group employers made up of small business member groups. The NAM Health Care AHP will offer large group plans to their member groups and is Affordable Care Act compliant.

What is the average cost savings through the AHP?

5% to 15% is the average savings expected when purchasing healthcare coverage through the association. The level of savings will be different for each participant group based on age/sex and member demographics as well as medical underwriting principles and the plan design they wish to select.

Eligibility

Our association has members outside of the NAICS codes listed (31, 32, 33). Can members outside of these codes take advantage of this? Is there another product they could?

This health care offering is available for members in the manufacturing industry. In order to offer an Association Health Plan eligible member companies must share commonality of industry. The NAM AHP will only be available to employer groups that meet the designated NAICS codes that have been approved.

We have some members with more than 99 employees who may be interested in getting a quote. How would they go about doing so?

Groups with more than 99 employees would be able to obtain quotes through Mercer and United HealthCare® in their respective markets. They will be individually underwritten and issued a separate large group policy. The business model for groups over 100 lives follows the model for the Affinity Small Group offering no matter what state they are located in.

*The AHP will not be available in every state.

Can ancillary benefits be offered to non-manufacturers?

At this time all benefits, including dental, vision and basic life/AD&D, are only made available to manufacturers. These ancillary benefits can be provided through NAM Health Care to manufacturing firms that fit within the approved SIC codes, or to Affinity members outside of the Association Health Plan.

Although the federal government is not enforcing the individual mandate, some states are. Does this plan meet the criteria?

NAM Health Care is Affordable Care Act compliant. It is a bona fide pre-rule industry based AHP situs out of the state of Michigan. Through NAM Health Care, we provide Health Insurance to small group firms with 2-99 eligible employees. Firms must have 2 common law employees to qualify for the plan.

Can employees of the association participate?

Yes a participating association is an eligible employer to participate in the NAM Health Care offering.

Is there a minimum total employees needed to participate at the member company and association level?

Group sizes with a minimum of 2 eligible employees are able to participate in the NAM Health Care offering. The offering will require 50% participation of the eligible employees. Working owners are not eligible unless they have at least one other W-2 employee to participate as well (e.g., husband/wife teams would not qualify).

Is there a minimum contribution level towards a single premium?

Yes, at least 50% of the single-only portion of premium is required for each tier. For example:

	RATE	MINIMUM CONTRIBUTION
Employee only (single)	\$100	\$50
Employee + spouse	\$200	\$50
Employee + child(ren)	\$150	\$50
Family	\$400	\$50

What if the company's employees are in more than one state?

NAM Health Care is only concerned with the state of the company situs. Once a plan is in place, coverage is extended to employees in other states, regardless of where that state falls on the AHP map.

If a company has multiple owners and they have multiple w-2 employees but there are some of their owners/shareholders who are paid but not working, can those owners/shareholders able to receive insurance?

No they cannot participate in the coverage as they have to meet the work requirements to be eligible to participate in the NAM Health Care offering.

Benefits

Generally, how will the rates and benefits compare with what we can purchase through our broker in the marketplace?

For employers that are in the eligible Association Health Plan states, we anticipate that up to 50% of your member companies could benefit from the NAM Association Health Plan pricing over the marketplace.

How long are my rates guaranteed?

When a NAM policy is issued and the company's benefits go into effect, the rates are set through their 12 month plan year. This applies to medical, dental, vision and basic life/AD&D.

How is the rating set? Is it unique to each employer?

Each employer group will receive a quote for benefits based on the demographic makeup of their specific individual group of employees and their risk profile.

Can I go online and see if my provider is in the network?

Yes within Mercer's platform there is a link for member companies and their employee's to view provider networks.

How will our members be able to do a rate/ benefit/ provider network comparison?

Your members are able to obtain quotes, sign up for coverage, view benefits and obtain network provider comparisons via Mercer's online platform or by talking with a licensed Mercer agent.

Can an employer pick more than one plan design to offer employees?

Employers may pick three AHP medical plans to offer to employees plus one dental and one vision. The basic Life/AD&D benefit is set at the same level for all employers.

Will HSAs be available?

The NAM Health Care offering will have HSA compatible plans available for selection in their plan portfolio offering. The HSA will be administered by Optum Bank.

Is this plan eligible for COBRA?

In accordance with federal regulations, groups of 20 or more employees must offer COBRA. UnitedHealthCare offers COBRA services as part of the plan offering. All firms participating in NAM Health Care will qualify for no fee COBRA Administration through United Benefit Services, a subsidiary company of UnitedHealthcare.

Program Administration

Will the NAM know who our members are?

We will ask you to share your member list (including prospects) to allow for direct marketing efforts. On behalf of the program, Mercer often sends out email campaigns and invitations, and holds education sessions, etc. directly to your members, where approval has been given.

Will the NAM help us onboard our staff?

We will set up periodic calls for the associations to check in to learn from each other. Mercer will also provide assistance with onboarding of your staff. Ongoing support is always available for ad hoc questions.

Do we have to perform any regulatory filings or will Mercer and NAM?

As an affiliate offering the NAM Health Care to your member companies all regulatory filings will be handled by NAM, Mercer or United Healthcare®. Employers with greater than 50 full time employees will need to complete 1095 C for Employer Mandate. If your firm has less than 50 employees, there are no additional filings that your organization will need to complete.

Would we have any fiduciary responsibility?

The plan offering is fully insured and United Healthcare will maintain fiduciary responsibility.

The management fee stated, is that per year or one time?

The management fee is per year.

How is the management fee calculated

The fee is a function of the total premium, which is calculated from rates and enrollment. Please refer to your signed agreement which contains exhibits explaining the formula for calculating the revenue.

What is the process for when a company drops membership from a partner association, what happens to their healthcare and when?

If an employer group is no longer a dues paying member of the NAM or contracted affiliate, then they will continue their coverage until the policy year ends and they will not be allowed to renew on any plans offered by the NAM Health Care.

What if the enrollment number drops to less than 50%?

If an employer group drops below the 50% threshold during the policy duration, the group may continue their coverage until the policy year ends; however, they will not be allowed to renew on any plans offered by the NAM Health Care.

What happens if an employer falls below the 50% employee-use threshold?

If an employer group falls below 50% participation, they will continue their coverage until the policy year ends and they will not be allowed to renew on any plans offered by the NAM Health Care.

What is the process for membership verification?

As part of the sign up process the member company must complete an attestation form confirming they are an active member. Monthly the NAM will receive reporting on active policy holders and will provide each affiliate association with their active listing. The association will be required to notify Mercer and UHC if a member is no longer active with the association.

Other questions? Email NAMHealthCare@mercer.com