



# **Take Control**

## **Aetna Funding Advantage<sup>SM</sup>**

### **Administrative handbook**

For self-insured groups with up to 100 enrolled\* employees



# Welcome

Thank you for choosing the Aetna Funding Advantage self-insured health plan. You made a great choice. Investing in the right benefits for your employees' health plans will pay off today — and tomorrow.

This handbook sums up what you need as we help administer your self-insured plan. That way, you can get back to running your business as soon as possible.

## Find what you need — fast

We'll show you how your self-funded plan works. You'll also learn about some requirements that go along with having a self-funded plan.

Don't worry if you notice terms or references that don't apply to your plan. Your contracts spell out the actual terms of how we'll help administer your self-funded plan. These include:

- Services Agreement made up of the Services, Statement of Available Services, Service & Fee Schedule and Appendices
- Stop Loss Contract (made up of the Stop Loss Policy and Application for Stop Loss)

If there's anything we can do to make your job easier, just let us know.

# Here's to a great relationship



**Aetna is the brand name used for products and services provided by one or more of the Aetna group of companies, including Aetna Life Insurance Company and its affiliates (Aetna).**

# Have no fear

## Online tools

The member website has tools, programs and perks included in your health plan. It's a great resource to:

- Look up coverage
- Find doctors in our network
- Estimate the cost of care

ID cards and member plan details which include plan deductibles and out of pocket limits are always available electronically through our secure member website. Members can visit [www.aetna.com](http://www.aetna.com) to register and sign into their account.

## Claims mailing address

Attn: Claims Reimbursement  
Aetna  
PO Box 14079  
Lexington, KY 40512-4079

## Member Services

You, your employees and their families can call Member Services with questions. Just use the number listed below and on your Aetna ID card.

Member Services: **1-888-80-AETNA**  
**(1-888-802-3862)**

## Enrollment platforms

eBusiness is our default enrollment and billing platform. This online tool is accessible through your Employer Secure Website. You can manage employee enrollment and review your billing invoice within the tool. We automatically set you up for access. For support, please contact the Aetna Answer Team.

For all other enrollment platforms, please contact the Aetna Answer Team for support.

## We're here for you

Have a question about your group plan? Just contact us. Make sure you have your group plan's control, suffix and account number handy.

If you have questions, call us at the **Aetna Answer Team** (AAT) and we can help you.

### East coast:

1-855-319-7290 (TTY: 711)  
[AATSE@Aetna.com](mailto:AATSE@Aetna.com) [NEAAT@Aetna.com](mailto:NEAAT@Aetna.com)

### West coast:

1-800-343-6101 (TTY: 711)  
[WestAAT@Aetna.com](mailto:WestAAT@Aetna.com)

Find the forms you need at [Aetna.com](http://Aetna.com).

# Billing and monthly payments

Aetna Funding Advantage offers a stable monthly payment and the protection of stop loss insurance. Plus, you can save when your group's medical costs are lower than expected. And if your costs are higher than expected, Aetna's stop loss insurance protects you.

Every month, you pay a single amount covering all your costs for this arrangement. These include:

- Your annual medical costs\*
- Our administrative fees
- Our stop loss premium
- An amount to fund medical costs after our relationship ends if you don't renew with us

We explain these costs below.

You can save if your medical costs are lower than expected. Here's how:

- At the end of the contract year, we determine your total medical costs due.
- If total costs are less than your maximum claims funding, we return 50 percent of that surplus to you after you renew.

\*These are estimated costs, not actual.

Your monthly funding consists of four pieces:

1. **Administrative fee**  
Our fee for processing claims and the other things we do to service your account.
2. **Claims funding**  
The medical costs that you are responsible for in the current year.
3. **Terminal reserve funding**  
The amount set aside to pay run-out claims after our relationship ends.
4. **Stop loss premium**  
What you pay us to protect you if your total claims are higher than expected or if covered individuals have very high medical costs.

## How we calculate your total monthly payment

- We figure out how much you need to pay per employee.
- The amount is higher if they enroll as a family versus as an individual.
- We multiply that amount by the number of employees who sign up for coverage.

Administrative fee

Claims funding

Terminal reserve funding

Stop loss premium



**Total monthly payment**

# Bank account and invoices

## Monthly payments

We send you an email alert to retrieve your invoice through eBusiness.

### On the second business day of the following month:

We pull funds from your account to cover what you owe us for that month.

### If enrollment changes are processed after the 18th of the month:

The next month's statement will show changes as a retroactive adjustment to your bill.

## Example

| January 2023 |    |    |    |    |    |    |
|--------------|----|----|----|----|----|----|
| S            | M  | T  | W  | T  | F  | S  |
| 1            | 2  | 3  | 4  | 5  | 6  | 7  |
| 8            | 9  | 10 | 11 | 12 | 13 | 14 |
| 15           | 16 | 17 | 18 | 19 | 20 | 21 |
| 22           | 23 | 24 | 25 | 26 | 27 | 28 |
| 29           | 30 | 31 | 1  | 2  | 3  | 4  |
| 5            | 6  | 7  | 8  | 9  | 10 | 11 |

Invoice posted online

Cutoff for members included in monthly bill

Funds pulled from account to cover invoice

## Your invoice

You can access your invoice right in eBusiness through the [Employer Secure Website](#).

## We've got you covered

If we pay out more in claims than we've collected from you in any month, no worries. We'll temporarily fund the difference as long as you continue to make the payments as they become due.

At the end of the policy year, we'll also take care of you. If the total we've paid is more than total medical costs funding, your stop loss kicks in. This covers subsequent claims in accordance with the stop loss policy.

## Insufficient funds

If there aren't enough funds in your bank account to pay invoices in full by payment date:

- We have the right to immediately stop paying benefits claims
- We can terminate the Services Agreement

If we terminate the Services Agreement:

- You still owe all the money we invoiced you for before we terminated
- We have the right to collect that immediately

# Year-end accounting — surpluses and deficits



A surplus occurs if your actual medical costs total less than the expected medical costs throughout the agreement period. The final surplus is determined as part of year-end accounting. We perform this approximately 90 days after the agreement period ends.

If you renew your plan with us, we'll keep 50 percent of your surplus. This covers our fee for servicing your account. We return the other 50 percent to you after you renew.

Note that the year-end accounting will not occur until after the agreement period has finished.

The stop loss policy covers medical costs higher than the medical costs funding collected.

## How your stop loss insurance works

Stop loss insurance kicks in to help in two ways. It pays when your plan's medical costs are higher than your maximum expected claims amount. This protects you against the risk that your employees in total have higher claims expenses than expected. Plus, it will pay medical claims for a single member with very high contract year medical costs.

## Example: surplus (renewal)

### YEAR-END

### ACCOUNTING

|                      |                  |
|----------------------|------------------|
| Total claims funding | \$300,000        |
| Annual claims paid   | (\$250,000)      |
| Result               | \$50,000 surplus |



# Eligibility and enrollment

Your contract documents lay out guidelines for eligibility and enrollment. We describe those guidelines below, but review your contract documents if you have any questions.



## New hires and newly eligible employees

You can help new hires or newly eligible employees make informed decisions. It's easy — just give them our enrollment materials and benefits literature. This can also help prevent claims problems caused by delayed enrollment or missing information. Here is some information you can share:

- Privacy notice
- Summary of Benefits and Coverage



## Change in enrollment status

You can process enrollment changes right in the platform the group is set up on if an employee:

- Adds a dependent through marriage, birth, adoption or legal guardianship
- Drops a dependent through divorce, death or age cutoff
- Changes address, if out of area
- Changes employment status through retirement, layoff or other form of termination

The annual open enrollment period is the time of year when you and your employees can re-evaluate your health care needs, select the plan(s) that best meets those needs and make contract changes.

In order for a newborn to be covered as a Plan Participant under your plan, a formal enrollment request must be received by Aetna within 31 days of the newborn's date of birth. The formal enrollment request must either be made in writing by submitting an enrollment form or be made telephonically by contacting the Aetna Answer Team for newborn enrollment. Unless a complete request is received timely using the methods specified above, the newborn will not be covered under the Aetna Funding Advantage plan.

Coverage for new dependents usually becomes effective on the date of a life-changing event. Life-changing events include marriage, birth, adoption and legal guardianship.



## ID cards

We mail ID cards to members shortly after they enroll with us. Your employees can also print their ID cards from their member website at [Aetna.com](https://www.aetna.com).



## Prescription coverage

Many pharmacies don't accept insurance unless the member presents their member ID card. Members who haven't yet received their ID cards may still have their covered prescriptions filled at a participating pharmacy. They should call member services first to make sure the drug is covered and that they aren't any authorizations for the drugs needed before filling them. Once members receive their ID cards, they can then send us copies of their prescription receipt marked with their member ID numbers. We'll then reimburse them for the cost, according to their benefits plan. The pharmacy directory contains a list of local participating pharmacies. Or use our online provider directory at [aetna.com](https://www.aetna.com).

# Legal documents, contracts and responsibilities

When selecting Aetna Funding Advantage, you signed a number of documents. Here's a summary of those documents and their use:

## Agreement Services

Outlines services provided by Aetna as the administrative service provider for the Aetna Funding Advantage product. Comprised of the Services, Statement of Available Services, Service & Fee Schedule and Appendices.

## Services Agreement

Outlines services provided by Aetna as the administrative service provider for the Aetna Funding Advantage product.

## Stop Loss Insurance Policy

The insurance policy that outlines your stop loss coverage.

## Non-ERISA Groups

AFA plans are offered to Non-ERISA groups with the understanding that our AFA plans do not cover all state mandates. If your group is required to provide medical coverage that includes state mandates, AFA may not be a good fit. If you are already enrolled in an AFA plan and need to move to a plan that offers state mandates, please reach out to your account manager.

## 1095-B Reporting

On your behalf, we file and distribute the 2018 IRS 1095 B, Transmittal of Health Coverage Information Returns. This is for all of your small group Aetna Funding Advantage members with coverage for the previous calendar year. This service is only available to Aetna

Funding Advantage groups with no more than 50 eligible employees. Although we assist you in preparing this form, you're responsible for the form and its contents. In using this service, you agree that any IRS risk (penalty) or issue will be the sole responsibility of the plan sponsor. Using this service is your choice. If you'd prefer not to use this service, then you can choose not to be included by contacting your Aetna client manager.

## Fiduciary duties

Aetna serves as the claims fiduciary. That means we have final say about whether the plan covers a claim. We also provide Summaries of Benefits and Coverage that can be shared with members.

You're legally responsible for everything else. Among other things, you need to file reports with the Department of Labor and the Internal Revenue Service (IRS). You also need to give members access to their Summary Plan Description, which describes the plan's benefits.

The federal Employee Retirement Income Security Act of 1974 (ERISA) law has additional legal requirements. For more information about ERISA, visit the U.S. Department of Labor website at

[dol.gov/general/topic/health-plans/erisa](https://www.dol.gov/general/topic/health-plans/erisa).

Many of the requirements aren't different from a traditional fully insured arrangement. However, you should be aware of additional reporting requirements for a self-funded benefits plan.

This material is for informational purposes only and is neither an offer of coverage nor medical advice. It contains only a partial, general description of programs and services and does not constitute a contract. Aetna is not a provider of health care services and, therefore, cannot guarantee any results or outcomes. All participating providers are independent contractors and are neither agents nor employees of Aetna.

Aetna Funding Advantage plans are self-funded, meaning the benefits coverage is offered by the employer. Aetna Life Insurance Company only provides administrative services and offers stop loss insurance coverage to the employer.

