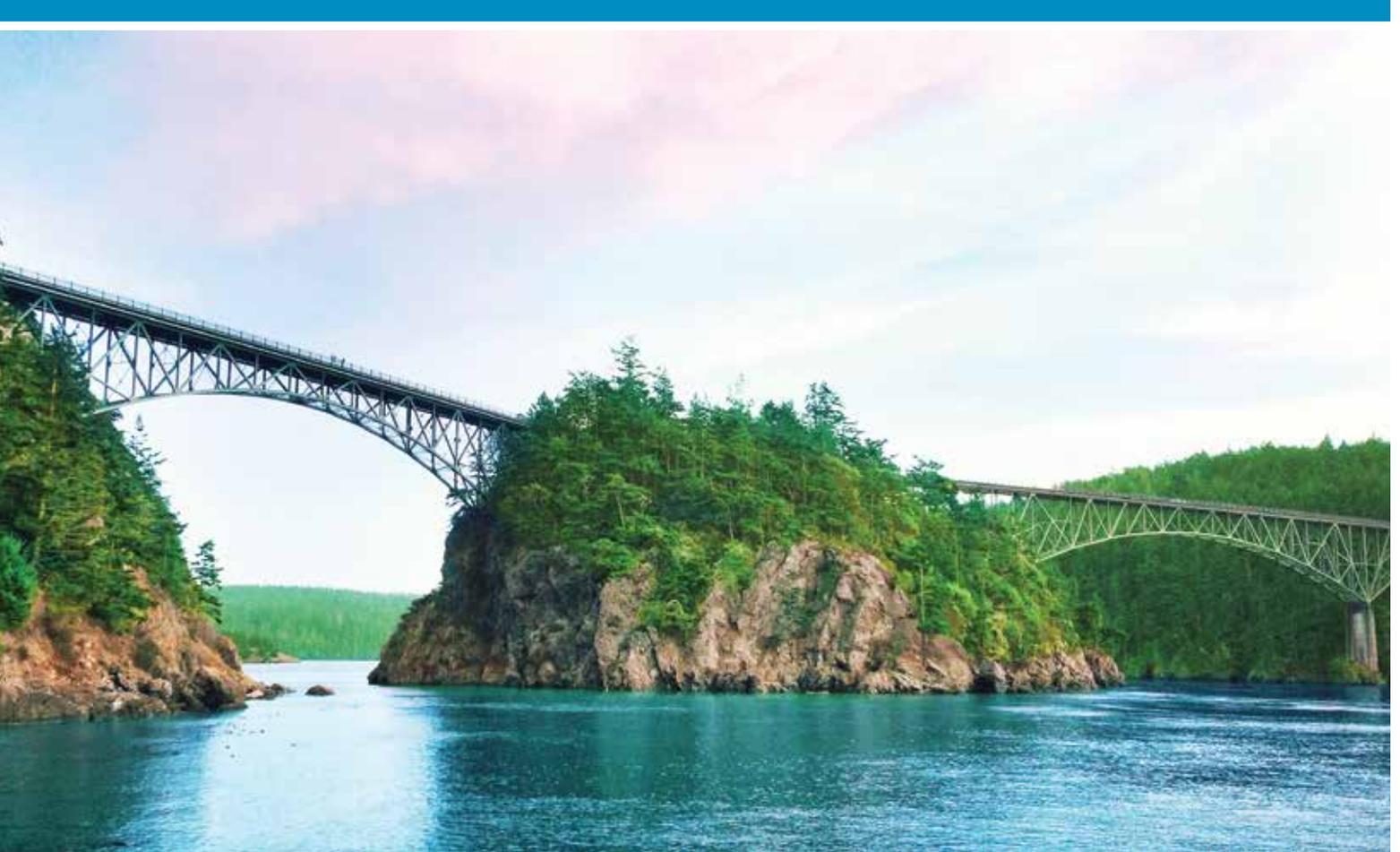


Customized Fixed-Payment Gap Plans

Bridge the gap to reduce health care costs

Symetra Life Insurance Company



Why Fixed-Payment Insurance?

- Customized coverage to complement any high-deductible medical plan, whether self-funded or fully insured
- Guaranteed issue coverage; no required medical underwriting
- No required networks; participants can see any provider they choose
- No coordination of benefits; claims are paid regardless of any other coverage participants may have
- Value-add programs provide access to resources that can help with work, life and insurance-related issues

Well-designed **fixed-payment insurance** can supplement the benefits found in any high-deductible major medical plan. The fixed-payment benefit design helps reduce immediate out-of-pocket costs for eligible services.

It's a balancing act

As a business leader you need:

- Benefits that help you recruit and retain a quality workforce
- Lower overall premium costs
- Help mitigating the impact of higher deductibles on participants

And individuals want:

- Benefits that fit their needs
- Cost-effective coverage options
- Help with paying for out-of-pocket expenses

Implementing a customized gap plan—a high-deductible plan combined with Select Benefits fixed-payment insurance coverage—can help provide first-dollar coverage to mitigate out-of-pocket costs.



A simple two-step process

A gap insurance strategy combines a higher-deductible medical plan with supplemental coverage. The goal is to lower overall premiums—in some cases significantly.

The example below shows the potential savings resulting from increasing the deductible on your major medical plan while adding supplemental coverage.

Based on a 500 life group

1 Increase your major medical deductible

Lower costs by implementing a higher-deductible medical plan.

Original Annual Premium

\$1,000 deductible
\$9,016 per person per year
(\$751 pp/pm)

\$4,508,000

High-Deductible Plan Premium

\$3,000 deductible
\$5,988 per person per year
(\$499 pp/pm)

\$2,994,000

2 Bridge the gap

Use a portion (25%–50%) of your cost savings to purchase Select Benefits supplemental insurance.

This coverage is used to help reduce participants' out-of-pocket costs for things like doctor's office visits, diagnostic X-rays and labs, hospitalizations and more.

Estimated Savings

\$3,028 per person per year

=

\$1,514,000

Supplemental Coverage

\$558 per person per year

—

\$279,000

Realized savings

Cost savings from combining a \$3,000 deductible major medical plan and Select Benefits supplemental coverage.

Total Annual Savings

27%

\$1,235,000

\$2,470 per person per year

pp/pm = per person, per month

Visualize your savings

With a gap strategy your savings are proportionate, regardless of group size.

The following table provides an overview of potential costs and savings for groups of various sizes, based on the same premium amounts used in the previous example.

		Group size (primary insured)				
		100	500	1,000	2,500	5,000
Estimated savings on major medical plan	+	\$302,800	\$1,514,000	\$3,028,000	\$7,570,000	\$15,140,000
Select Benefits supplemental coverage	-	\$55,800	\$279,000	\$558,000	\$1,395,000	\$2,790,000
Net annual savings	=	\$247,000	\$1,235,000	\$2,470,000	\$6,175,000	\$12,350,000

Based on same figures shown on previous page

23% of Americans who have health insurance said that they went without some form of medical treatment.¹

A medical gap plan can help cover some of the out-of-pocket costs that occur before benefits in a high-deductible health plan begin.

Bridging the gap is a team effort

High-deductible health plans can help curb health care costs by providing patients with incentives to make more cost-conscious health care decisions.²

With a gap strategy, participant cost-sharing is decreased, but not eliminated. The increased use of consumer-driven health plans with high deductibles is having the desired impact: when people incur more of the costs of their own health care, their decisions are increasingly being driven by how they can personally control the cost. Adults in a consumer-driven health plan (CDHP) and those in a high-deductible health plan (HDHP) were more likely than those in a traditional plan to exhibit a number of cost-conscious behaviors. For example,

those in a CDHP were more likely to say that they had checked whether the plan would cover care; asked for a generic drug instead of a brand name; and, that they had used an online cost-tracking tool provided by the health plan.³ This behavior, combined with the attention paid to overall cost containment due to shared financial responsibility, helps mitigate increases to benefit utilization, and reduces the risk of future rate increases due to higher claims activity.



Coverage options

Outpatient major diagnostic testing benefit

This benefit pays a preselected, fixed dollar amount per day, up to a maximum number of days per calendar year, for the following: magnetic resonance imaging (MRI), computed tomography (CT, CAT scan), mammography, stress test, electrocardiogram (ECG, EKG), ultrasound, bone density, amniocentesis and chromosome analysis.

Inpatient hospital benefit

This benefit pays a preselected, fixed dollar amount beginning on the first day of a covered stay lasting a minimum of 24 hours. Intensive Care Unit (ICU), substance abuse, mental health and nursing facility stays are included under the inpatient hospital benefit. Each facility has a calendar year maximum number of days as selected, and 500 days per lifetime, unless otherwise noted in the policy.

Hospital inpatient admission benefit

This benefit pays a preselected, fixed dollar amount when an insured is admitted to a health care facility for a minimum of 24 hours and confinement is the result of a nonoccupational illness or injury. This benefit will be paid regardless of any other inpatient hospital benefits available to the insured.

Surgical procedure benefit

This benefit pays a preselected, fixed dollar amount per day for surgical procedures performed by a doctor based on the place (outpatient doctor's office, outpatient surgical facility, inpatient hospital) where the procedure is performed.

Surgical anesthesia benefit

This benefit pays a preselected, fixed dollar amount per day for anesthesia administered by an anesthesiologist or anesthesiologist in connection with a covered surgical procedure.

Doctor visit benefit

This benefit pays a preselected, fixed dollar amount per day, up to a calendar year maximum. Doctor's office visits include treatment received in a doctor's office, outpatient hospital clinic or urgent care facility (not a hospital emergency room). This benefit excludes preventive care, vaccinations and inpatient or outpatient surgical procedures.

Outpatient diagnostic X-ray and lab benefit

This benefit pays a preselected, fixed dollar amount per day for diagnostic X-ray or lab tests ordered or performed by a doctor during a single visit to a provider. Benefits are subject to a calendar year maximum and will be paid when hospital confinement is not required.

Health Advocacy services

Assistance with a full range of health care and insurance-related issues such as finding the right providers, scheduling appointments, getting cost estimates, resolving claims issues and more.

EAP+Work/Life™

Licensed professional counselors and work/life specialists provide confidential, short-term help with family- and work-related issues. Includes referrals for more in-depth care, if needed.

Wellness Coaching

Unlimited access to highly-trained wellness coaches by phone, email or instant messaging, for one-on-one support to help participants reach their health goals.

Participation Requirements: minimum participation is the greater of 25 enrolled or 10% of eligibles.

**This is a brief description of our available benefits.
For a complete list, please contact your Symetra representative.**

With a successful gap strategy, you can enhance your overall benefits package and everyone is able to better manage their health care dollars. To learn more, contact your Symetra representative.

Select Benefits insurance policies are designed to provide benefits at a preselected, fixed dollar amount. They are not a replacement for a major medical policy or other comprehensive coverage and do not satisfy the minimum essential coverage requirements of the Affordable Care Act. Coverage may be subject to exclusions, limitations, reductions and termination of benefit provisions. Select Benefits policies are insured by Symetra Life Insurance Company, 777 108th Avenue NE, Suite 1200, Bellevue, WA 98004, and are not available in all U.S. states or any U.S. territory.

Health Advocacy, EAP+Work/Life and Wellness Coaching are provided by Health Advocate through Symetra. Health Advocate is not affiliated with any insurance or third party provider. Health Advocate does not replace health insurance coverage, provide medical care or recommend treatment.

¹ "Report on the Economic Well-Being of U.S. Households in 2016," retrieved Feb. 8, 2018.

² Rich Schneider (Oct 2017), <https://news.iu.edu/stories/2017/10/iupui/releases/03-high-deductible-health-care-plans.html>. Retrieved Feb. 8, 2018, from News at IUPUI.

³ "Consumer Engagement in Health Care: Findings from the 2016 EBRI/Greenwald & Associates Consumer Engagement in Health Care Survey," retrieved Feb. 8, 2018.



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