



## Freedom Plan Disclosure

### ***Page 3 of this document requires an Employer Acknowledgement signature***

As an employer opting to use Allied's Freedom Plan option for your self-funded health plan, this document is designed to make sure you are fully informed on how this program works and the real-world friction points that occasionally arise. The Freedom Plan is a unique approach to reimbursing providers (doctors and hospitals) for their services. The most common approach today is "managed care," usually a PPO, which has nothing to do with managing care and only addresses provider payments. Unfortunately, many PPOs don't deliver real value or discounts to whoever is paying for the cost of medical care (meaning you, the employer, when you self-fund). PPO discounts for services vary greatly even within the same network and often come at the price of restricting your choice of provider for your medical care.

The Freedom Plan is NOT a PPO network plan. It is a cutting edge effort to pay health providers a fair and reasonable rate without relying on PPO contracts or limited networks of providers. This allows your employees and their dependents to see ANY provider they wish without worries about networks and penalties, while helping to keep the cost of health care services under control.

The Freedom Plan reimburses providers by using Medicare "plus" accepted payment levels as the reference point from which to make provider payments. Your Freedom Plan pays physicians at 125% of Medicare allowable reimbursement and facilities at 150% of Medicare allowable. This means providers are paid above Medicare levels and this level is often above what they might receive from the dominant insurers in your area.

The critical points to be aware of with the Freedom Plan are:

1. We guarantee no "balance bill" responsibility to our covered members for the amount taken as a discount from your provider's retail bill. If the provider attempts to balance bill, Allied will step in and work with the provider to come to an acceptable solution. The covered member is NOT responsible for any balance billing other than normal copays, deductibles and out-of-pocket costs. The member must notify us immediately if they have been balanced billed.
2. The net average discounts (the price paid versus the "retail" price billed by your provider) with the Freedom Plan are equal to or better than almost every PPO network. This savings is obtained by getting great savings on many services, but occasionally getting no savings on a service to prevent an employee from being balanced billed for the discount taken. From a plan cost perspective, what is important is the overall savings with the Freedom Plan.
3. When a bill has to be negotiated to a greater amount than the default payment under the Freedom Plan, it does cost the plan more money. The focus is on the total savings received for all bills, not what happens with any individual bill. It is this additional payment that keeps the covered member from being balanced billed because of the discount taken.
4. These amounts are paid as an "extra contractual settlement", and are not subject to any out-of-pocket costs. However, these payments are covered expenses under the stop-loss insurance coverage and do apply to any specific or aggregate claims that may arise.
5. On a very rare occasion a provider will refuse to accept the Freedom Plan as a valid "insurance" plan. When a member books an appointment and provides their new insurance information the provider often is confused about a health plan that doesn't have a PPO network name on the ID card. Typically after calling Allied Client Services service the providers' concerns are resolved. Approximately 1 in 1,000 times the provider will simply refuse to go along with the plan. Often it is their confusion on how they're going to be paid and not wanting to deal with collecting payment from their client. Your Freedom Plan ID card shows the plan reimbursement level so providers are immediately aware of how they will be paid. While Allied does everything possible to avoid this situation, it does happen. When this situation arises the member has two choices – pay for their services directly and submit the bill to Allied for reimbursement or change providers. While rare, this does happen and can create considerable anxiety for the member involved. Contact Allied Client Services if this happens and allow us to work with the provider to ensure they are comfortable with the health plan.

**The following page contains the published FAQs on the Freedom Plan for your reference.  
Page 3 of this document requires an Employer Acknowledgement signature.**

## The Freedom Plan Frequently Asked Questions

### **How does the Freedom Plan actually work?**

All bills submitted by your providers are repriced to the Medicare allowable price. This reimbursement to your provider is then increased by the percentage above Medicare allowable depending on the provider. This is often referred to as Medicare “plus” reimbursement. For physicians and physician services, reimbursement is at 125% of Medicare allowable. For facilities, reimbursement is at 150% of Medicare allowable.

Even if a service you receive is not a Medicare covered expense (e.g. maternity!), there is still a Medicare allowable price since Medicare is basis for reimbursement for other federal health plans, like Medicaid.

### **How does Allied reimbursement compare to normal PPO fees?**

There is no such thing as a normal PPO fee or discount. Every hospital has a unique fee or discount schedule with every different PPO. Making it even more complicated is that every hospital has a unique fee schedule. Knowing that a member will get a 35% discount off of the billed amount means nothing until one knows the billed amount. If two providers give a 50% discount, but one charges \$100,000 and another charges \$50,000, the same “discount” costs twice as much with one provider than the other. Welcome to the crazy and non-transparent world of medical charges. The one thing you do get from a PPO, regardless of what the discount prices is, the provider has agreed to accept that discounted price.

### **Will my local doctors and hospital accept Allied’s reimbursement levels?**

Our experience is that virtually all providers will accept these Medicare “plus” reimbursement levels. The level is such that it is profitable for the provider, and in many cases, is a higher reimbursement than they receive from the dominant insurer(s) in your area who have forced very low reimbursement levels on the providers.

### **Will I have any problems making an appointment with my local providers if I have the Freedom Plan?**

Ninety-nine percent of all provider appointments happen without a problem. On a very rare occasion, the provider needs more information than the ID card provides so they can properly book the appointment. Not all providers are familiar with Allied National, and with no PPO name on the ID card, they don’t know what they should collect from you at the time of service. Simply have them call Allied Client Services (800-825-7531) and we’ll go over the plan details with them. However, be aware that on rare occasions we get providers unwilling to accept the Freedom Plan and ask the member to pay the entire bill at the time of service. Even after receiving a full explanation that this is a comprehensive major medical program and the basis of Medicare plus reimbursement, a small handful of providers have refused the program. While we believe this is an unreasonable position for the provider to take, it is their right to refuse any insurance program. If this does happen to you, please contact us immediately as we will take every step possible to resolve the problem. However, if the provider continues to reject the plan and require the member to pay up front, we suggest the member seek an alternative provider; however, the member may pay the provider up front and submit their bill for reimbursement.

### **Is a fee agreement reached 100% of the time? Will I ever be balanced billed?**

We do everything we can to avoid balance bills based on discounts taken (obviously the member is responsible for their out-of-pocket expenses and non-covered services), but they will arise in two situations. First, the provider never calls us and simply sends a balance due bill to the member. Second, a very, very small percentage of providers feel they should get paid retail and will bill the member regardless of their conversation with us. Our pledge to our members is that we will resolve every balance bill they get as a result of a discount we’ve taken. We will do what is required to resolve that bill, even if it means the plan has to pay the provider’s retail charge for services.

### **What do I do if I get balanced billed?**

First, make sure you’ve paid your portion of the bill and that the balance is not for your copay, deductible or coinsurance amount. If in doubt about your portion of the bill, reference the EOB you received (which is also available online) or contact Allied Client Services for assistance (800-825-7531). If the bill shows an amount due other than the portion for which you are responsible immediately contact Allied Client Services so that we can work with the provider to resolve the situation. While you are responsible for your share of the bill you are not responsible for any portion of a disputed discount. If we settle with the provider for a higher amount it will not affect your out-of-pocket amount. Your share (deductible & coinsurance) of a bill is always based on the fair and reasonable amount. If you have services not covered by the plan, you may be responsible for the entire amount (which can also happen with a PPO plan – the provider is not required to honor the PPO discount on non-covered services).

### **Can I end up paying a provider more under this plan than with a PPO plan?**

Remember, even with a PPO plan there is no way to know in advance how much you’re going to have to pay. Any bill from any one provider could be higher for the same service than from some other provider. That is still true under the Freedom Plan. What we do know is that the Freedom Plan discounts (after all settlements and negotiations) average over 60% off of retail charges, which is a much better discount than the majority of the PPO networks we offer. In fact, plan prices for the Freedom Plan are lower than most of our PPO plans for this reason. We know overall we’re coming out ahead and we pass the savings on to the employer and member. We do have a few top quality PPO networks with superior savings. When that’s the case we do recommend these networks over the Freedom Plan, but remember, using a PPO network comes with the loss of your ability to go to any provider and you have to worry about being “out-of-network” and the penalties that apply for being out-of-network.

**"NO BALANCE BILLING" RESPONSIBILITY GUARANTEE**

(Employer Acknowledgment)

Product: Employer Sponsored Group Health Plan Coverage  
Product Option: Freedom Plan  
Guarantee: "No Balance Billing"  
Acknowledgment: Additional Claim Costs

On behalf of the sponsoring employer identified below ("Employer"), I hereby acknowledge the following:

1. The Employer sponsors a group health plan ("Plan") for its participating employees and their dependents ("Covered Persons") and has elected the "Freedom Plan" option for the Plan;
2. Allied National, Inc. ("Allied") is the contracted third-party administrator of the Plan, including the Freedom Plan option;
3. Provider bills are discounted to a Medicare "plus" reimbursement amount;
4. The Freedom Plan option includes a "No Balance Billing" guarantee for the covered participant (the "Guarantee");
5. The Guarantee indemnifies and holds a Covered Person harmless from, any attempt by the Covered Person's medical provider ("Provider") to collect unpaid medical charges that arise from the reimbursement "discount" utilized by Allied when determining the payable benefit on a claim ("Balance Billing");
6. The Guarantee **excludes** balance billing for which the Provider is attempting to collect payment:
  - For any deductible, copayment, coinsurance or other cost-sharing amount, for which the Covered Person is responsible under the terms of the Plan;
  - For medical care, treatment, services or supplies that are excluded or otherwise not covered under the terms of the Plan;
  - For a Claim that was not properly or timely filed with Allied, according to the terms of the Plan, and is therefore not eligible for benefits;
7. The Guarantee may require Allied to negotiate a settlement with the Provider for an amount greater than the Medicare "plus" reimbursement amount determined by Allied and that when this arises the Plan is responsible for paying the additional cost;
8. The Covered Person's out of pocket amounts will not be altered as a result of this additional payment (the Covered Person's out of pocket amounts are based on the Medicare "plus" reimbursement amount);
9. The additional payments are treated as an extra-contractual amount, however they are eligible expenses under the Plan's stop loss insurance coverage; and
10. I am authorized to execute this Acknowledgment on behalf of the Employer.

Sponsoring Employer: \_\_\_\_\_

Signature of Authorized Individual: \_\_\_\_\_

Name: \_\_\_\_\_ Date: \_\_\_\_\_

Title: \_\_\_\_\_

**Return this signed form to: ALLIED National**  
**UAS Department**  
**PO Box 29187**  
**Shawnee Mission, KS 66201-9187**  
**[underwriting@alliednational.com](mailto:underwriting@alliednational.com)**  
fax: 913-945-4397