

## Freedom Hybrid Plans Disclosure

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

As an employer opting to use an Allied 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 Hybrid Plan is a unique approach to reimbursing facilities 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 do not 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 Hybrid Plans use a physician-only PPO network. Your covered members are free to see any provider, in and outside of the physician network without penalty or difference in benefits. Physicians in the network will automatically recognize the network and are reimbursed based on their PPO contracted price.

The Plan reimburses non-network physicians and all facilities using Medicare “plus” accepted payment levels as the reference point from which to make provider payments. Your Freedom Plan pays non-network 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 Hybrid 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. Freedom Plan members are responsible only for copays, deductibles and coinsurance as shown in the Explanation of Benefits. Members are not responsible for any balance billing from providers who might not accept the reimbursement levels of the plans. Allied National provides a legal support service for members who are being subjected to balance bill collections. If a member receives a balance bill, they should call Allied’s Elite Experience team at 866-332-1987 or email [balancebilling@alliednational.com](mailto:balancebilling@alliednational.com).
2. When a facility or non-network physician 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.
3. These amounts are paid as an “extra contractual settlement”, and are not subject to any member 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.
4. On a very rare occasion a provider will refuse to accept the Freedom Hybrid Plan as a valid “insurance” plan. 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 Hybrid 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 Hybrid Plan for your reference.**

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

## The Freedom Plan Frequently Asked Questions

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

For network physicians – all bills are paid using the PPO network contracted price. All bills submitted by facilities and non-network physicians 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 non-network 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 the basis for reimbursement for other federal health plans, like Medicaid.

### Will I pay more for using a non-network physician?

No. There is no penalty or change in your benefits for seeing a non-network physician. You're free to choose any provider without restriction. You'll only pay your normal copays, deductible and out-of-pocket costs regardless of the provider you choose.

### Will my non-network local doctors and hospitals 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 Hybrid 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, 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 Hybrid Plan and ask the member to pay the entire bill at the time of service. Even after receiving a full explanation that this is an ACA compliant, 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 from facilities and non-network physicians 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?

Freedom Hybrid Plan **members are responsible only for copays, deductibles and coinsurance as shown in the Explanation of Benefits**. Members are **not** responsible for any balance billing from providers who might not accept the reimbursement levels of the plans. Allied National provides a legal support service for members who are being subjected to balance bill collections. If a member receives a balance bill, they should call Allied's Elite Experience team at 866-332-1987 or email [balancebilling@alliednational.com](mailto:balancebilling@alliednational.com).

**"NO BALANCE BILLING" RESPONSIBILITY GUARANTEE**

(Employer Acknowledgment)

Product: Employer Sponsored Group Health Plan Coverage  
Product Option: Freedom Hybrid Plans  
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 Hybrid Plan" option for the Plan;
2. Allied National, LLC ("Allied") is the contracted third-party administrator of the Plan, including the Freedom Hybrid Plan option;
3. Facility and non-network physician bills are discounted to a Medicare "plus" reimbursement amount;
4. The Freedom Hybrid 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  
P.O. Box 29187  
Shawnee Mission, KS 66201-9187  
[underwriting@alliednational.com](mailto:underwriting@alliednational.com)  
Fax: 913-945-4397