

GAP Plans

...spanning the gap in medical benefits

A deductible and coinsurance program paying **first-dollar benefits up to \$10,000** when hospital confined and **\$2,500** per condition, per year for outpatient expenses.

GAP Plans

- An employee benefit designed to work “hand in hand” with a major medical plan to enhance overall benefits for employees and dependents as well as **save the employer money**.
- A more efficient way to protect employees and dependents.

IMPORTANT FACTS

- Certificate of Coverage and ID Card provided.
- Only one claim form required per calendar year, per person.
- GAP is assignable! If the provider will accept the assignment, there may be no up-front cost to the employee for service.
- Benefits are claimed by faxing a copy of the Explanation of Benefits and a copy of the provider's itemized bill. If assigned, the provider will submit a copy of the charges, but the employee must still file the EOB.
- Same or related conditions will be treated as a new condition if separated by a period of 90 treatment-free consecutive days or more.
- GAP benefits generally follow the major medical plan. Prescription drugs and mental and nervous conditions are not covered by GAP.

How does GAP Work?

Two Benefits Provided

1) Outpatient Services:

The plan pays up to **\$2,500 per condition** (max of 4 conditions per family, per year) for outpatient "out-of-pocket" expenses such as deductibles and/or coinsurance.

2) In Hospital Benefit:

For hospital stays, this plan pays up to **\$10,000 per year, per insured person** for "out-of-pocket" expenses such as deductibles and/or coinsurance.

Out-Patient Benefits (OPB) – This benefit *reimburses the amount the major medical plan applies to deductible, coinsurance or copays* up to the maximum benefit selected.

- Surgery in an outpatient facility or doctor's office
- Emergency Room – Accident or Sickness
- X-ray, Lab, Diagnostic Testing in a hospital outpatient facility or MRI facility
- X-ray and Lab in a Physician's office
- Outpatient Radiation/Chemotherapy
- Physical Therapy
- Chiropractic Care

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2) In Hospital Benefit:

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In-Hospital Benefits - This benefit *reimburses the amount the major medical plan applies to deductible, coinsurance or copays* up to the maximum benefit selected

- Surgery, Physician's charges, Hospital Misc. charges
- X-ray, Lab, Diagnostic Testing, MRI's
- 15 hours as bed-patient qualifies for inpatient benefits

Propose Medical Plan Benefit Change

Current Plan

- \$1,000 Deductible
- 80% Coinsurance
- \$2,500 Out-Of Pocket
- \$25 Physician co-pay

New Plan

- \$3,000 Deductible
 - 80% Coinsurance
 - \$4,000 Out-Of-Pocket
 - \$35 Physician co-pay
-Plus **GAP Plan**

Out-Patient Claim: MRI - \$2,250 total expenses

	Current Plan <u>W/O OPB</u>	Proposed <u>W/O OPB</u>	Proposed <u>With OPB</u>
Deductible	\$1,000	\$3,000	\$3,000
20% Coins.	\$ 250	\$ 0	\$ 0
Total O-O-P	\$1,250	\$2,250	\$2,250
OPB*	\$ 0	\$ 0	\$2,000
Individual's O-O-P	\$1,250	\$2,250	\$ 250
Savings With OPB	<u>\$1,250</u>	<u>\$2,000</u>	

*Out-Patient Benefit (OPB) – First Dollar Payment

Hospital Stay & Surgery - \$16,000 total expenses

	Current Plan <u>W/O HCB</u>	Proposed <u>W/O HCB</u>	Proposed <u>With HCB</u>
Deductible	\$1,000	\$3,000	\$3,000
20% Coins.	\$2,500	\$2,600	\$2,600
Total O-O-P	\$3,500	\$5,600	\$5,600
HCB*	\$ 0	\$ 0	\$5,000
Individual's O-O-P	\$3,500	\$5,600	\$ 600
Savings With HCB	<u>\$3,500</u>	<u>\$5,000</u>	

*Hospital Confinement Benefit (HCB)- First Dollar Payment

GAP Plan.... *Saves Money* in two ways:

- 1) Claims – Reduces or Eliminates Out-Of-Pocket Expenses
- 2) Premium – Allows the employee to keep more of what they earn by lowering the amount withheld from their paycheck to pay for their health plan

GAP Plan.....

- *First Dollar Benefits – No Deductibles*
- *No Health Questions asked*
- *Pre-X health conditions are covered, if covered by underlying health carrier*
- *Simplified Claims – assignment of benefits accepted*
- *Cost - Effective*

The Future of GAP Plans

- What to expect...