Stop-Loss Administrative Guide

HIIG | ACCIDENT & HEALTH

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STOP-LOSS ADMINISTRATIVE GUIDE

The purpose of this Administrative Guide is to assist the TPA or Claims Administrator in complying with HIIG Accident & Health's Stop-Loss Policy requirements and obligations, including Claim Notification procedures, Specific and Aggregate Claim filing requirements, Premium Remittance policies and other Reporting requirements.

This Guide is intended to supplement the Policy and does not replace or change any Policy Provisions. Should this guide be in conflict with any state laws or regulations, such law or regulation will take precedence.

Please note that all HIIG A&H forms can be accessed at www.hiigah.com/forms

Table of Contents

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INTRODUCTION

HIIG Accident & Health is a leading underwriting insurance company providing brokers, consultants, carriers and third-party administrators throughout the country with a variety of flexible stop loss options.

We have more than 20 years of underwriting experience and the backing of Houston International Insurance Group (HIIG), a Houston-based insurance holding company with assets exceeding $1 billion. What makes us unique is we have the flexibility of a small entrepreneurial company while having the financial backing of our parent company.

We have our own A.M. Best rated A paper (Great Midwest Insurance Company) which allows us to deliver our services in 49 states and the District of Columbia (pending approval in WA).

We underwrite specific and aggregate stop loss, issue policies, bill and collect premiums, help our partners manage large catastrophic losses, adjudicate claims and disburse both claim and commission payments. Our approach to underwriting is to be flexible, competitive, collaborative and client centric. We provide direct access to a dedicated team of professionals as well as our executive decision makers.

We sincerely thank you for being a valued partner of HIIG Accident & Health. It is our goal as an organization to meet and exceed your expectations because we truly value our relationship and your business. Every client and policyholder is important to us regardless of the size. If you have questions or need information that is not addressed in this document, please contact us.

TPA APPROVAL PROCESS

HIIG Accident & Health has a process for approving the Third-Party Administrators (TPA's) that process the claims for the groups we issue policies to. This helps us gain assurance that we have an understanding of the TPA's policies regarding claims payment, disaster recovery procedures and insurance coverages to protect the group.

The TPA Approval Process must be completed before a Policy can be issued. The following items are required:

1. Completed ***SIIA Questionnaire*** with attachments, updated through current
2. Copy of most current proof of E&O Insurance and Fidelity Bond/ Crime/ Employee Dishonesty
3. Copy of Disaster Recovery Plan

HIIG Accident & Health will notify the TPA upon initial approval. The TPA will be contacted annually to obtain updated E&O, Fidelity Bond and Licensing and Appointment information.

NOTE: Evidence of renewals (E&O, Fidelity Bond, TPA & Producer Licenses) will be required as appropriate.

PREMIUM ACCOUNTING

Premium Payments

Premium Remittance Report Forms are available for your convenience to report monthly enrollment, premium calculations and total premium payable. Customized premium reporting forms are acceptable as long as they provide the following information:

- ✓ Group Name and Policy Year and Number
- ✓ Carrier
- ✓ Month for which premium remittance applies
- ✓ Number of covered units for each rate tier category
- ✓ Premium rates applicable to each rate tier category (indicate whether rates are gross or net)
- ✓ Documentation of retroactive adjustments, including number of units per rate tier and number of retroactive months
- ✓ Commission percent/amount withheld if remitting net of commission
- ✓ Calculation of total monthly premium
- ✓ Premium payments should be made payable to **HIIG Underwriters Agency, Inc**. and forwarded to:
  - **Mailing Address**:

Regular Mail:
HIIG Underwriters Agency, Inc.
P.O. Box 849998
Dallas, TX 75284-9998

Overnight Physical Address:
HIIG Underwriters Agency, Inc.
C/O Bank of America Lockbox Services
Lockbox 849998
1950 N Stemmons Freeway
Dallas, TX 75207

  - **ACH/ Wire Transfer Information**: Detailed info can be requested by sending an email to premiumaccounting@hiig.com
  - **Email Address for Premium Remittance Form**: premiumaccounting@hiig.com

Late Premium Procedures

Premium payments are due on the first day of each month. Premiums are considered past due if not received by HIIG Accident & Health by the end of the Grace Period (either 30 or 31 days) as outlined in the Stop-Loss Policy. If Premiums are not received by the end of the Grace Period, all coverage automatically terminates as of the Premium due date. As a matter of courtesy, HIIG Accident & Health will notify TPAs (which is also deemed as notice to the Policyholder) that premium is past due and that the Policy has been terminated in accordance with Policy provisions. This late pay notification does not extend the Grace Period and coverage may be terminated whether or not such letter is produced. The acceptance of any premium due beyond the Grace Period does not establish a precedent for acceptance of any future premiums received after the Grace Period expires. Acceptance of Premium after the Grace Period is at the sole discretion of HIIG Accident & Health.

The Policyholder may be permitted to apply for reinstatement by submitting any forms, data or other requirements requested by HIIG Accident & Health, including but not limited to, updated claims data through the date of the request for reinstatement and payment of any and all past due premiums. HIIG Accident & Health has the right to re-underwrite the terms of the stop-loss coverage based on the updated information provided if reinstatement is granted.

Any notification or warning letters are produced as a courtesy and are not a requirement under the Policy Provisions.

If the Policy terminates for any reason, the Policyholder is responsible for all premiums up to the date of termination.

LICENSING, APPOINTMENTS AND COMMISSIONS

All producers, agents/agencies, sub-agents and soliciting Third Party Administrators, must be licensed and appointed in order to market stop-loss coverage, solicit stop-loss coverage and receive commissions through HIIG Accident & Health. All entities involved in the sale of stop-loss coverage through HIIG Accident & Health must complete and sign a Producer Agreement. They must also provide proof of current E&O coverage, Fidelity Bond coverage and a W-9.

Procedures for Appointment Process

- ✓ Complete the ***Producer Agreement*** which is an agreement between HIIG Accident & Health and the producer.
- ✓ Complete a ***W-9*** Form for the producer/agency, regardless of receiving commissions.
- ✓ Submit to HIIG Accident & Health, the signed Producer Agreement, the declaration page for the current E&O Policy, the declaration page for the current Fidelity Bond Policy and a current W-9. HIIG Accident & Health will notify the producer/agency of appointment approval by providing an executed (countersigned) copy of the Producer Agreement.
- ✓ Producer entities located in CT, WV or FL will need to provide resident license(s) as well as licenses for states in which the producer entity has business with HIIG Accident & Health. Individual agents soliciting business on behalf of any producer entity located in CT, WV or FL must provide resident license(s) as well as any other state licenses in which the individual wishes to be appointed. License copies are not required for any other states.
- ✓ Commissions will not be released by HIIG Accident & Health until the appointment process has been successfully completed.

CLAIMS ADMINISTRATION

Notification & Reporting Requirements (Specific and Aggregate)

1. Specific Coverage:

The Excess Loss policy requires that HIIG Accident & Health be notified of potential large claims within 10 days of the policyholder or its TPA receiving any information that a claim is potentially catastrophic. Initial notification must be provided in writing (e-mail, report, letter, etc.) to HIIG's Malvern office in accordance with the stop-loss contract.

Timely notification of potential large claims provides the opportunity for HIIG Accident & Health to offer resources that can assist the TPA and policyholder in managing claim dollars.

TPA and/or Policyholder must notify HIIG Accident & Health of a large claim or potentially large claim that is expected to exceed the Specific Deductible. Examples of which may include but are not limited to:

1. Claim exceeds 50% of the specific deductible
2. Large Case Management is initiated
3. Claimant is diagnosed with an ICD-10 Code listed in the Addendum

Prospective Claim Notification Form

Requirements apply to incurred, paid and/or pended claims.

2. Aggregate Coverage:

If the Policyholder has purchased Aggregate Coverage, the TPA must provide HIIG Accident & Health with an Aggregate Report on a monthly basis following the completion of each month. The report must include monthly and cumulative eligible paid claims totals and enrollment separated by covered benefit under the aggregate, if enrollment differs.

Catastrophic Trigger Conditions

A reference guide of some sample conditions and procedures that might result in a large claim are outlined in the Trigger Diagnosis list ***(Guide to Identifying Trigger Diagnosis)***. These conditions tend to be chronic, require extensive ongoing treatment, hospitalization, case management and/or high cost medications.

Other Large Claims and 50% of the Specific Deductible

Regardless of the medical condition, we must be notified of the following:

- ✓ When a claimant reaches 50% of the Specific Deductible
- ✓ Hospital inpatient stays of 7 days or greater
- ✓ Multiple hospital admissions
- ✓ Complications of surgery
- ✓ Treatment with certain drugs ***(High Cost Pharmaceuticals)***

POTENTIAL CONDITIONS TO CASE MANAGE

The following instances should be investigated for case management and cost containment:

- ✓ ***All Transplants***
- ✓ Premature Births
- ✓ Drug Infusion Therapy
- ✓ Trauma/ Multiple Injuries
- ✓ Home Ventilator
- ✓ Complex Wound Care
- ✓ Combination Chemotherapy Regimens
- ✓ Implanted Devices
- ✓ Bleeding Disorder
- ✓ Interim Billings
- ✓ Home Health Care greater than 20 days
- ✓ Hyper alimentation/TPN or Home IV antibiotics
- ✓ Initiation of Dialysis (home or outpatient)
- ✓ Initiation of Chemotherapy
- ✓ High Risk Pregnancy (multiple births)
- ✓ Length of Stay Request More Than 7 Days
- ✓ Hospital Acquired Conditions
- ✓ Spinal Fusion or Complex Spinal Surgery
- ✓ Mental Disorders Requiring Acute Hospitalization
- ✓ Treatment at Cancer Treatment Centers of America
- ✓ Multiple Hospitalizations of 3 or more per year
- ✓ Substance Abuse Hospitalization or Residential Care

The procedures listed below are Key Indicators of potential catastrophic claims:

PROCEDURE	ICD-9 Procedure Code	ICD-10 Procedure Code	CPT CODE
Craniotomy	1.24	00J00ZZ	61304 - 61305
Hyperbaric Oxygenation	93.59	0NH0352	99183
Plasmapheresis (Apheresis)	99.71	6A55023	36520 - 36521
Laryngectomy/Radical Neck Dissection	30.4	0CTS0ZZ	31360 - 31382
Tracheostomy	31.2	0B110F4	31600 - 31605
Implant Cardiac Assist Device	37.6	02HA0RS	33975
Dialysis	39.95, V56.8	5AID00Z	90935, 90937, 90945- 90947
Pancreatectomy	52 - 52.99	6F7D0ZZ	48154
Ventilator patient greater than 4 days	96.72	5A19552	94656 - 94657
Insertion shunt/fistula	39.93	03130JD	36821
TPN (Total Parenteral Nutrition)	99.15	3E03362	N/A
TRANSPLANT TYPE	**ICD-9 Procedure Code**	**ICD-10 Procedure Code**	**CPT CODE**
Bone Marrow Transplant	41.03	079T002	38240 - 38241
Heart	37.51	02YA020	33945
Heart-Lung	33.6	0BYM0Z0, 02YA0Z0	33935
Small Bowel	46.97	0DY8070	44135 - 44136
Liver	50.51	0FY00ZO	47136
Lung (single)	33.5	0BYC0Z0	32851 - 32852
Lung (double)	33.52	0BYM0Z0	32853 - 32854
Pancreas	52.8	0FYG0Z0	48160, 48550-48556

HIIG-MedMAP

HIIG-MedMAP will help you navigate the cost-containment highway to find the right vendor for your care management needs.

HIIG-MedMAP is a comprehensive suite of claim management vendors designed to provide our clients with access to Best in Class catastrophic care management networks and services to better manage the quality of care and cost effectiveness of their medical plan offering. Although our clients are free to use other service providers; HIIG-MedMAP vendors have met our strict selection and on-going review criteria for quality and service. Our commitment to catastrophic claim management augments our strong underwriting and claim administration competencies; we stand ready to provide the services, answers and direction you and your clients require.

HIIG-MedMAP provides easy access to the following catastrophic claim management services and networks:

Partners

- Cancer Care/ Oncology Management
- Specialized Bill Review and Claim Audit
- ESRD/ Renal Dialysis Management
- Implantation Bill Review
- Claims Negotiations and Re-Pricing
- Specialty Pharmacy Services
- Transplant Networks
- Perinatal/ Neonatal Management
- Subrogation and Plan Document Services

MedMAP Vendor List

No Additional Fees

Fees associated with bill re-pricing and provider discount negotiations are a reimbursable expense covered under the stop-loss policy subject to the following conditions:

- Use of an industry vendor
- The claims payments plus the fees must exceed the specific deductible
- Maximum reimbursable vendor expense is limited to 25% of documented savings
- Administrative fees (generally TPA driven) are not covered as they are services that the TPA should be providing to their customer.

Large case management can result in claims dollar savings and associated fees are also a reimbursable expense subject to the following conditions:

- Case management reports must be provided
- The impact of case management must be substantiated
- A detailed invoice must be provided
- Claim payments must exceed the specific deductible and the claims must be eligible in accordance with the Excess Loss Policy

We are always interested in finding a way to work with our policyholders to make sure their members get quality medical care with the best outcome possible at a reasonable and customary charge for the services provided.

SPECIFIC CLAIM REIMBURSEMENT REQUESTS

Filing an Initial Claim

Once a claimant's eligible paid charges exceed the Specific Retention Amount, a request for reimbursement should be made, and sent to HIIG's Malvern office. A fully completed ***Request for Specific Excess Loss Reimbursement Form,*** along with the appropriate boxes marked, including the following documentation should be submitted:

- ✓ Completed HIIG Accident & Health ***Eligibility Verification Worksheet***
- ✓ Copy of original enrollment card (documentation of eligibility) or other acceptable proof of eligibility
- ✓ Copy of Certificate of Coverage as required by HIPAA
- ✓ Pre-existing condition investigation documentation if appropriate
- ✓ Excel file **(preferred)** or computer print-out include: date received by TPA, date of service, CPT codes to include modifiers, ICD-10 codes, date paid, date processed, amount billed, amount paid, coinsurance, deductible, co-payments; amount not covered (reason), & check number; or itemized bills & EOBs **(Submit complete claim file for all transplants)**
- ✓ Pre-certification documentation
- ✓ Copy of other insurance information/COB documentation
- ✓ Copy of hospital bills over $100,000 (UB-04 only, unless bills spans two plan years)
- ✓ All accident claims require complete details (police reports for motor vehicle accidents)
- ✓ Private duty nursing charges must include all nursing notes
- ✓ Documentation confirming claims were funded (and proof of paid for end of policy payments)
- ✓ Proof of deductible & coinsurance when met prior to current plan year

Filing Supplemental Reimbursement Claims:

Subsequent claims should be submitted by completing a ***Request for Specific Excess Loss Reimbursement Form*** and forwarding it, along with the documentation required to support the subsequent newly paid claims.

Specific Advance Requests:

Requests for Specific Advance should be submitted by completing a ***Request for Specific Excess Loss Reimbursement Form*** and forwarding it, along with the documentation required to support the adjudication of the newly processed claims.

Please refer to the Specific Advance language in the stop loss policy for terms and requirements.

AGGREGATE CLAIM REIMBURSEMENT REQUESTS

Filing an Initial Claim:

Aggregate claim submissions require the completion of a HIIG Accident & Health ***Request for Aggregate Reimbursement Form*** or any other form providing equivalent information. Required information is as follows:

- ✓ Monthly participation and claims paid (by line of coverage) versus monthly aggregate attachment (Loss Ratio Report).
- ✓ Year-to-date detailed paid claims report itemized by check, subtotaled by claimant.
- ✓ Previous year's Individual Stop Loss Report at 100% level (if previous year's specific had advancement or 90 day run out.)
- ✓ Include paid claims report for each individual identified.
- ✓ If current year's aggregate is Incurred & Paid, previous year Individual Stop-Loss Report is not necessary.
- ✓ Voids and refunds not accounted for in paid claims report. Submit copies of overpayment letters for pending recoveries.
- ✓ Listing of claims processed during the plan year for which checks have not been released and/or funded if applicable.
- ✓ Enrollment and eligibility reports for all covered employees and dependents. The report should include participant(s), dates of hire, effective dates of coverage, dates of termination. Retroactive additions and terminations should be calculated back to the month they occur.
- ✓ Proof of required funding (i.e. bank statement, or funding statement). Monthly statements should include one month following the contract expiration date.
- ✓ Monthly check registers for each month of the policy contract.
- ✓ A benefit analysis report in summary format for the policy period, showing payments for out-of-contract or extra contractual claims, PPO fees, medical records payments, and other administrative fees.
- ✓ If applicable, monthly itemized billing statements, by claimant, from prescription card vendor.
- ✓ Policyholder's monthly stop-loss premium billing statements.

Reports required for aggregate

Monthly Aggregate Advance:

If the Policyholder has elected this option, HIIG Accident & Health will provide aggregate funding assistance provided the premiums are paid through a current date and subject to the greater of the actual or minimum pro-rated aggregate retention amount. The aggregate retention must be processed, paid and released prior to requesting any advance. A payment summary to which the advance applies must be included with the advance funding request. Funds advanced must be released to the providers for which the advance payment was requested.

Aggregate advance requests are limited to one per month.

HIIG Accident & Health would like to take this opportunity to thank you for partnering with us. We greatly value our relationship and enjoy serving you and your organization. You have our commitment that we will continue our efforts to meet your requirements and exceed your expectations. We look forward to many more years of working together.

Once again, thank you for your business.