

Summit Perspectives

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It's not enough to know, one should also use; it's not enough to want, one should also act.

Goethe



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Cover transplants from first dollar

This article is part of a series of case studies—real stories of how managed care companies increased profits by using Summit Re’s resources to increase sales, decrease expenses, and manage claims.

A typical HMO excess coverage provides risk protection for all catastrophic events—traumas, transplants, neonatal cases, and other complex medical claims. Some plans, however, prefer to "carve out" certain risks from their medical excess coverage and have specific coverage for the given risk on a first dollar basis. Organ and bone marrow transplant carve-out coverage is such an example.

The need

ABC Health Plan is a public hospital board authorized by statute to operate a hospital service plan in its state. Because the plan desired predictability and the plan's hospital owner is not a major tertiary provider for organ transplants (excluding kidneys), the plan was interested in having organ transplants carved out from its risk.

The solution

Summit Re provided ABC Health Plan an organ transplant carve-out through United HealthCare Insurance Company, part of OptumHealth Care Solutions' (formerly United Resource Networks) family of transplant programs. Summit Re still provides the medical excess coverage to ABC Health Plan in excess of its \$90,000 deductible with an appropriate credit for the organ transplant carve-out now reinsured by United.

The result

ABC Health Plan has renewed the program for several years with predictable renewals and has access to excellent organ transplant case management and provider contracts. A typical premium for this type of coverage is \$2.00-\$4.00 per member per month, depending on the parameters of the risk.

Coverage details

Covered organ transplant procedures include liver, kidney, heart, lung, heart/lung, double lung, pancreas or simultaneous pancreas / kidney. Digestive transplants are covered only when performed by a facility that participates in the transplant network. Coinsurance is higher for services provided by non-network facilities.

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First dollar coverage for organ transplants

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Transplant services include all medically necessary services resulting from and/or directly related to an organ or bone marrow transplant procedure, including:

- Services provided by the transplant facility
- Hospital or skilled nursing facility services
- Physician services
- Nursing services
- Outpatient treatment and follow-up
- Speech, physical and occupational therapy
- Anesthesia and anesthesia services

- Radiology
- Laboratory services
- Oxygen
- Durable medical equipment
- Blood and blood products
- Dressings
- Harvesting and acquisition expense
- Transportation, lodging and meals for transplant candidate and one companion

Typical services not covered include:

- Services received before or after the benefit period, other than services for bone marrow

harvesting, transplant evaluation, living donor organ procurement, air ambulance or transportation, lodging or meals related to the covered transplant procedure

- Organ or tissue transplants performed prior to the member's effective date
- Services not related to the covered transplant procedure
- Services unrelated to the diagnosis or treatment of the transplant procedure
- Drugs that are investigational or have not been approved for general sale by the FDA
- Items which are not medically necessary

Secure Extranet

It makes good business sense to save money and time by reducing the amount of paper you use and by reducing costs associated with mailing and faxing. It is also important to safeguard Private Health Information according to HIPAA privacy rules.

We have addressed those issues by introducing our secure extranet. You are now able to send us claims, underwriting data, and any other confidential information via the secure extranet. We are also now sending our clients quarterly premium and claims reports this way. The extranet accepts any type of document, including .zip and .pdf files.

To use the secure extranet, go to our website, www.summit-re.com, and select "Secure Extranet" from the menu on the left side of the home page. If you have a username and password, you can send files to us and receive files from us through this web portal.

If you do not have a username and password, contact Kris Lahey at klahey@summit-re.com or call her at 260-469-3017. She will set you up with a username and password, instruct you on its use and answer any questions you may have.

The screenshot shows the Summit Re Secure Extranet website. The header includes the Summit Re logo and navigation links: Home, About Us, Products, Choosing a Reinsurer, Printable Forms, Contact Us, Site Map. The main content area features a "Secure Extranet" heading and a message: "Thank you for using Summit Re's secure extranet. If you have a username and password please click on this link: Secure Extranet". Below this, there is a note: "If you do not have a username and password already but would like to utilize our secure extranet, please contact Kris Lahey at klahey@summit-re.com or call her at 260-469-3017. She will set you up with a username and password which will give you the capabilities of sending and receiving data securely between yourself and Summit Re." The footer contains the Summit Re logo, contact information (260-469-3000, www.summit-re.com), address (1502 Magnavox Way, Suite 120, Fort Wayne, IN 46824, (260)469-3000), and a copyright notice for 2008 Summit Reinsurance.

Family Planning Rider

This article is part of a series of case studies—real stories of how managed care companies increased profits by using Summit Re’s resources to increase sales, decrease expenses, and manage claims.

What do you do when your customers repeatedly request coverage which you are prevented from offering? This client turned to Summit Re for the solution.

The conflict

A large, regional HMO client had received repeated requests from its insured employer groups to provide coverage for family planning services. Because the health plan was owned by a Catholic hospital system, it was not able to

(licensed in 45 states and the District of Columbia and rated B++ by A.M. Best) to provide independent, supplemental group insurance policies to selected Catholic-sponsored HMOs. Unified Life's Family Planning product and the Unified Life/HMO business arrangement are specifically designed to provide HMOs with an effective means to meet client demands for family planning services and still remain compliant with the ethical directives of the Catholic church and state insurance laws.

services are not the HMO's financial responsibility, provider services are provided through independent Unified Life provider contracts, and the HMO's filed certificate of coverage and rates can specifically exclude family planning services. Under the Unified Life approach, the HMO provides only limited cooperation by assisting the client with Unified Life set-up arrangements, providing monthly eligibility files and collecting premium. Often, the last service can be facilitated by a bank-trust arrangement.

An effective means to provide family planning services compliant with ethical directives of the Catholic church and state insurance laws

Flexible components

The flexible package of covered services operates with HMO, POS or PPO plan designs. These services may be covered in any combination to meet individual employer group needs:

- artificial insemination services
- tubal ligations
- vasectomies
- pregnancy terminations
- oral contraceptives
- contraceptive devices

Direct administration

The Unified Life Family Planning product is issued directly to each employer group. As a consequence, the I.D. card of the Catholic-sponsored HMO is not used at the pharmacy, claims for drugs and

All appropriate policies, benefit schedules, rates and forms are filed for each HMO arrangement with the state authorities by Unified Life. Each covered group is issued a Unified Life policy and all eligible members are given a benefit schedule and plan administrative information. Unified Life contracts independently of the HMO with a prescription benefit manager for contraceptive prescription services and medical providers for all other plan services.

Simple process

The Family Planning product operates very simply with no special actions required of employer groups and minimal member involvement. A brief summary of the product's operation follows:

- At the point of group installation, the HMO transmits

accommodate these requests through its traditional HMO products. The health plan contacted Summit Re for assistance in solving this ongoing problem.

The resolution

Summit Re has a relationship with *Advisors, LLC*, a Michigan-based company that provides specialized group insurance consulting, product management, provider contracting, and network development services. Summit Re knew that *Advisors, LLC* had an arrangement with Unified Life Insurance Company

Family Planning Rider

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- the eligible membership data to Unified Life.
- Unified Life provides benefit notices to all covered members, which is delivered along with the HMO's standard member material. The benefit notice informs members of the benefit services available, the list of participating providers and Unified Life's toll-free telephone number to be used for all Family Planning benefit inquiries.
- Covered members are encouraged to use Unified Life's network of participating providers for the delivery of covered services. If members use other providers, Unified Life will pay the provider up to the level of Unified Life's fee schedule. No referral from the primary care physician or plan service authorization is needed by the member.
- Covered members using contraceptives for birth control purposes are given a special

prescription drug ID card which operates like a standard ID card at the pharmacy, but only for contraceptives.

- Medical service providers directly bill Unified Life and are typically paid within two weeks of receipt.
- Unified Life delivers a group insurance policy to each employer group.
- Unified Life receives monthly electronic eligibility updates from the HMO.
- As a service to the employer group, the HMO collects a combined (HMO and Unified

Life) premium from all covered groups and wire transfers the Family Planning product premium to Unified Life monthly. Some clients prefer to use their banks for premium receipt and dispersal functions.

Epilogue

Summit Re facilitated a meeting between the health plan and *Advisors, LLC*. The health plan and *Advisors LLC* worked out a plan that was specifically tailored for its marketplace. The program was implemented with ease and has been operating successfully.

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Summit Perspectives is a periodic newsletter published by Summit Reinsurance Services, Inc., a full-service managing underwriter and reinsurance intermediary that focuses exclusively on managed care. *Summit Perspectives* highlights various items from both Summit Re and the managed care reinsurance marketplace. We will publish it only when we have important information to share.

If an item in this edition generates questions or comments, please give us a call at 260-469-3000 or write to us at www.Summit-Re.com.



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