

Insightful



Aetna Funding Advantage

Self-funded plans built to help your
smaller business save

aetna[®]

Take a close look at saving with Aetna Funding Advantage

The benefits of self-funding have traditionally been considered by larger companies. But Aetna Funding Advantage has changed that. It is specifically designed to be attractive and affordable for small businesses like yours.

Aetna Funding Advantage can provide your business cost savings in several ways. For example, our unique funding structure returns 50 percent of any left-over funds at the end of the year when you

renew your plan. And you can save up to 25 percent right off the bat when you switch from a fully insured plan. In addition to these potential savings, Aetna Funding Advantage uses stop-loss insurance to give you protection against claims when they are higher than anticipated.

So, let's talk about finances — how does Aetna Funding Advantage work?

Total costs

With Aetna Funding Advantage, you make a single monthly payment that remains stable throughout the year. This payment covers your claims funding, terminal reserve, stop-loss premium and administrative fee.

On the next page you'll find an example of how the funding and flow of dollars for Aetna Funding Advantage works for a full year. This example illustrates instances of both surpluses and deficits — and more detail is provided in the year-end accounting section. Remember, when claims are higher than anticipated, you are protected by your stop-loss insurance.



*Funds your Maximum Claims Amount. Each month, the number of enrolled employees is used to determine the Maximum Claims Amount.

Aetna is the brand name used for products and services provided by one or more of the Aetna group of subsidiary companies, including Aetna Life Insurance Company and its affiliates (Aetna).

For self-funded accounts, benefits coverage is offered by your employer, with administrative services only provided by Aetna Life Insurance Company (Aetna).

Total Benefit Solutions Inc. 427 E Street Road Feasterville, PA 19053
(215)355-2121 <http://www.totalbenefits.net>

Flow of claims funds**

Month	Total subscriber count				Monthly claims funding		Total claims paid		Total claims paid over stop-loss deductible		Surplus/deficit
	EE	EE + spouse	EE + child(ren)	Family	Monthly	YTD	Monthly	YTD	Monthly	YTD	YTD
Jan	16	1	11	7	\$25,411.38	\$25,411.38	\$17,175.50	\$17,175.50	-	-	\$8,235.88
Feb	14	12	11	8	\$25,645.99	\$51,057.36	\$18,420.50	\$35,596.00	-	-	\$15,461.36
Mar	14	12	10	8	\$24,628.88	\$75,686.24	\$21,632.50	\$57,228.50	-	-	\$18,457.74
Apr	14	12	11	8	\$25,306.95	\$100,993.19	\$26,428.00	\$83,656.50	-	-	\$17,336.69
May	14	11	11	7	\$24,289.85	\$125,283.04	\$29,325.50	\$112,982.00	-	-	\$12,301.04
Jun	14	11	11	7	\$24,289.85	\$149,572.88	\$29,370.50	\$142,352.50	-	-	\$7,220.38
Jul	14	10	11	7	\$23,611.78	\$173,184.66	\$28,926.50	\$171,279.00	-	-	\$1,905.66
Aug	15	11	10	7	\$23,907.42	\$197,092.07	\$25,762.00	\$197,041.00	-	-	\$51.07
Sept	16	12	11	7	\$25,559.20	\$222,651.27	\$27,492.50	\$224,533.50	\$626.75	\$626.75	\$(1,255.49)
Oct	16	12	11	7	\$25,411.38	\$248,062.64	\$19,255.00	\$248,788.50	\$1,206.25	\$1,833.00	\$1,107.14
Nov	15	12	11	8	\$25,941.63	\$274,004.27	\$20,212.50	\$269,001.00	\$128.87	\$1,961.87	\$6,965.13
Dec	14	12	11	8	\$25,645.99	\$299,650.25	\$20,505.00	\$289,506.00	\$3,023.16	\$4,985.03	\$15,129.28

Billing

To simplify the billing and payment process, Aetna Funding Advantage pulls your monthly payment via autodraft from the account you give Aetna during the enrollment process. Your Aetna representative provides a monthly billing summary prior to the first month's pull of funds based on your employee enrollment.

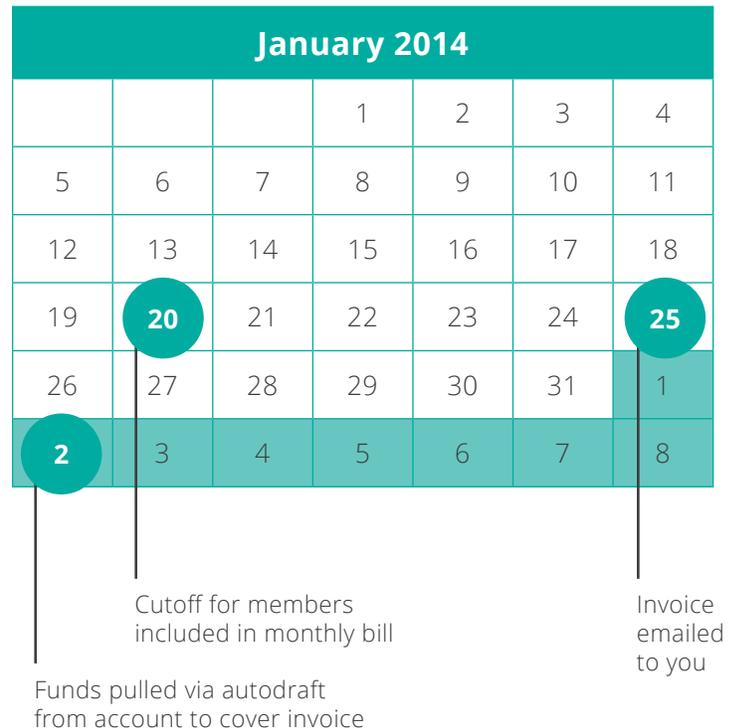
Please note that the first month's pull of funds occurs during the first week of the following month. The second month's billing summary takes into account any changes that may have occurred based on final enrollment.

The number of members enrolled as of the 20th of the month is used to generate the monthly payment. And an invoice is emailed to you on the 25th of that month. On the second business day of the next month, Aetna will pull funds from your account to cover your monthly invoice via autodraft.

**Illustrative content only.

***Subject to change.

Monthly payments***



Reporting

Built-in transparency

To help you keep track of claims activity and funding, we provide three regular reports:

- 1. Enrollment Report** — Tracks enrollment by plan type and is included with your monthly invoice.
- 2. Fund Summary** — Shows funding levels and total claims and is sent to you monthly.
- 3. Large Claimant Report** — Shows de-identified members that are running \$15,000 or higher throughout the year (provided at renewal).

Aetna Health Information Advantage (AHIA):

On-demand report shows detailed claims data by company demographics and breakdown of membership by tier for each month.

Year-end accounting

At year-end Aetna returns your money if you run a surplus in claims funding. To determine if there is money left over once claims are paid, we subtract the annual total claims paid from the annual total monthly claims funding collected. Once the claims are paid, any remaining dollars are considered a surplus. The terminal reserve is used to pay claims upon termination and has been prefunded throughout the year. It is not included in the surplus calculation.

When you renew your plan, any surplus in claims funds will be returned after the contract ends (less a 50 percent deferred administration fee).

If an individual's claims exceed the specific stop-loss deductible, Aetna, as the stop-loss carrier, pays any additional covered benefits accumulated by that member. Also, if the group's total claims exceed the annual claims funding, Aetna will pay the remaining

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This material is for informational purposes only and is neither an offer of coverage nor medical advice. It contains only a partial, general description of programs and services and does not constitute a contract. Aetna is not a provider of health care services and, therefore, cannot guarantee any results or outcomes. All participating providers are independent contractors and are neither agents nor employees of Aetna.

Three ways you could save

- 1. Tax savings** — Aetna Funding Advantage is exempt from the health insurance providers fee. In addition, Aetna Funding Advantage plans generally are not subject to state premium taxes.
- 2. Surplus sharing** — If you renew your plan and your total claims during the plan year are lower than expected, you get 50% of your surplus back.
- 3. Benefit design** — Aetna Funding Advantage is not subject to benefits design mandates, allowing for less costly benefits levels.

covered benefits in accordance with your stop-loss policy. A deficit will never carry over to the next year.

Surpluses and deficits*

Total claims funding \$150,000

Annual claims paid - \$100,000

Result = \$50,000 surplus

50% returned to you
50% retained by Aetna

Talk to your broker or Aetna representative today to learn more about Aetna Funding Advantage.

