Benefitfocus – ACA Support
April 18, 2013
Additional Content added 4-22
ACA Is “The Law of the Land”

4 Employer 2013 Considerations -

EMPLOYER SHARED RESPONSIBILITY— Employers that offer insurance to full-time equivalent employees must adhere to numerous guidelines to avoid penalties

PLAN DESIGN – will a CDHP be introduced and/or a plan developed to emulate an exchange metallic plan(s)

FUNDING — is this an opportunity for an employer to introduce defined contribution?

BENEFIT ADMINISTRATION — once the above decisions are made, a platform that can administer an employer’s plan while providing ACA compliance is key.

30 million new covered lives

$1.2 trillion costs through 2022

$1 trillion in exchange subsidies

30-40 million lives on public exchanges
## Benefitfocus Insurance Carrier Enterprise Clients

| South Carolina | MASSACHUSETTS | Wellmark, BlueCross BlueShield | BlueCross BlueShield of Louisiana | TUFTS Health Plan
| Arkansas BlueCross BlueShield | CareFirst BlueCross BlueShield | WellPoint | ING | BlueCross BlueShield of Western New York
| HealthNow HealthNow New York Inc. | PREMERA | aetna | BlueCross BlueShield of North Carolina | Blue Cross Blue Shield of Michigan
| BlueCross BlueShield of Kansas City | Companion Life | Independence Blue Cross | BlueCross BlueShield of Nebraska | HUMA
| HEALTHSPRING Healthspring | BlueCross BlueShield of Montana | BlueCross BlueShield of Kansas | Unum | Allstate
| FLORIDA Health & Disability | USABLE Life | BlueChoice HealthPlan | Blue of California | Blue Cross of Northeastern Pennsylvania

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ACA Solutions

**HR INTOUCH**
- Enrollment, communication and ACA Support

**HR SUPPORT CENTER**
- Call center support and benefit Tier 1 and Tier 2 questions

**PLAN SHOPPING APP**
- Decision support to assist employees in making the best medical choices

**CUSTOM VIDEOS**
- Videos created each year for the client Including new ACA regulations, new-hire and wellness

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### ACA Employer Readiness Checklist

| ✔ | Summary of Benefits and Coverage (SBC) | ✔ | Employee Notifications for State Exchanges |
| ✔ | Employer Reporting | ✔ | Employer Shared Responsibility |
| ✔ | Employee Opt-Out Survey | ✔ | Wait Periods |
| ✔ | Grandfathered Plans | ✔ | Auto-Enrollment |
Medical
Standard Textile Incentive Program

Did you achieve your individual health goal shown on your evaluation scorecard?*
Yes

Did you receive an annual physical examination by your doctor?*
Yes

Are you covering a spouse on your medical plan?*
Yes

Did your spouse achieve his or her individual health goal shown on the evaluation scorecard?*
Yes

Did your spouse receive an annual physical examination by his or her doctor?*
Yes
ACA Communication

- Included in the Benefitfocus Video Library
- Ready-to-use ACA Video Terms
- Cost-Effective ACA Communication and Education included in HR InTouch
- More to be added

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<tr>
<th>ACA EMPLOYER/EMPLOYEE TOPICS:</th>
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<tr>
<td>Dependent Eligibility</td>
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<td>Reporting and Compliance</td>
<td>Wellness Program</td>
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Employer Shared Responsibility

NEEDS

• Employers that do not provide coverage to employees are imposed a penalty of $2,000 per full-time equivalent employee minus first 30.
• Employers that offer insurance to full-time equivalent employees must adhere to numerous guidelines to avoid penalties, including
  – Determine eligibility of workers through standardized look-back periods.
  – Provide coverage during standardized stability periods
  – Record and report on which employees fit into a “safe harbor”
  – Report eligibility and plan availability to avoid penalties for employees who get public exchange subsidized coverage.

SOLUTION

• Provide employers with look-back/admin/stability period tracking and eligibility assignment for eligibility determination
• Create reporting to address public exchange and IRS needs
# Look-back Provision Key Terms

<table>
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<tr>
<th>MEASUREMENT PERIOD</th>
<th>The period for which work hours are measured to determine if they are equal to or exceed 30 hours per week.</th>
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<tr>
<td>ADMINISTRATION PERIOD</td>
<td>The period after the conclusion of the Measurement period and the benefits effective date afforded for calculating eligibility against the measurement period and for administering enrollment.</td>
</tr>
<tr>
<td>STABILITY PERIOD</td>
<td>The time for which the employee is eligible to participate in benefits (regardless of hours worked) based upon the eligibility determination done in the corresponding Measurement period.</td>
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Look-back Period Example—Ongoing Employees

Measurement Period
- Period Begins: 10/15/12
- Period Ends: 12 months

Administration Period
- Period Begins: 10/15/13
- Period Ends: 90 days

Stability Period
- Period Begins: 1/1/14
- Period Ends: 12 months

Measurement Period
- Period Ends: 10/15/13

Administrative Period
- Period Begins: 1/1/14
- Period Ends: 12/31/14

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Look-back Provision Support in HR InTouch

Integration with Partner Systems

- **Option 1** – Look-back logic for eligibility determination.
- **Option 2** – Calculations from time-tracking data feed.

Look-back Period Administration

- Employee hours worked data
- Configurable admin and stability periods
- Corresponding eligibility determination
- Shared responsibility reporting

Administration of Multiple Measurement Periods

- Ongoing employee
- New full time employee
- New variable/seasonal employee
- Look-back programs by Category

Dynamic Notifications

- Tasks for newly eligible employees
- Tasks for employees with expiring eligibility periods
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<th>Services</th>
<th>Fee Due</th>
<th>One Time Fees (OTF) or PEPM</th>
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<tr>
<td>Look Back App Implementation Fee (per source file)</td>
<td>Billed in Implementation month</td>
<td>$10,000 OTF</td>
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<tr>
<td>Payroll Integration Support (per source file)*</td>
<td>Billed at contract anniversary</td>
<td>$5,000 OTF</td>
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<tr>
<td>Look Back Employee Population PEPM***</td>
<td>Billed month App goes live</td>
<td>$1.50 PEPM</td>
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<tr>
<td>Look Back Employee Implementation***</td>
<td>Billed in Implementation month</td>
<td>$3.00 Per Employee OTF</td>
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<tr>
<td>Look Back App Recurring Fee **</td>
<td>Billed month App goes live</td>
<td>$.25 PEPM</td>
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* ($5,000 annual support fee year 2 and after)

** Applied ONLY to employees being monitored by Look Back App

***UA System on HRIT and Look Back, pricing moves to $1.00 pepm and $2.00 one time implementation per look back employee
Q & A from Meeting of 4-18

• What support for bulk loading of past hours to determine eligibility of existing hourly employees is provided?
  — Benefitfocus will set the required periods and load employees and employee hour data to facilitate eligibility determination for 1-1-14. This will be detailed in a solution call prior to contracting.

• Is Benefitfocus assuming any liability for clients of the Look Back App?
  — Benefitfocus will not assume any liability.

• There are types of hours like Leave, FMLA etc..., That cannot be deducted from paid hours for eligibility determination. How is Benefitfocus planning to handle this?
  — Clients will need to provide hours ready for loading and calculation that meet their understanding of the regulations.

• What is the timing for go live of a new Look Back App client?
  — Look Back App will be implemented with a target go-live of 120 days from contract execution of the appropriate paperwork.

• Is recurring pricing of $.25 for the Look Back App only applied to look back monitored employees or applied across ALL employees?
  — I have confirmed that we will only apply the charge to employees being monitored via the Look Back App.

• When a Look Back monitored employee becomes eligible, will Benefitfocus charge the higher benefit eligible PEPM fee?
  — Yes. Conversely, when a Look Back monitored employee becomes non-eligible they will return to the non benefit eligible rate. The $.25 Look Back App fee is ALWAYS charged for the Look Back monitored employee.

• Will hours be included in the Inbound file from payroll or will a separate file be required?
  — We must have a separate hours file and cannot include hours in an existing payroll file.
# Agreement Process to Support ACA Timeline

*Items to Achieve Success*

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<th><strong>Benefitfocus</strong></th>
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<td>Solution Engineer call with IT</td>
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<td><strong>Budget Allocated</strong></td>
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<tr>
<td>• One Time Fees</td>
<td>• HR InTouch (if necessary)</td>
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<tr>
<td>• Recurring Monthly Fees Begin at Go Live</td>
<td>• ATP – Look Back App</td>
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<tr>
<td><strong>Contracting Process</strong></td>
<td><strong>Customer Service Agreement or ATP</strong></td>
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<tr>
<td>• Internal vs. External Legal</td>
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<tr>
<td>• Commitment to Review Agreement within</td>
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<tr>
<td>Allocated Timeframe</td>
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<tr>
<td>• Other Associates Involved in Contracting</td>
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<tr>
<td>Process</td>
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Questions and Next Steps