



# Supplemental Medical Expense (out-of-pocket)

Supplemental Medical Expense insurance helps people guard against the financial risks associated with paying out-of-pocket medical expenses, enabling them to fill gaps and protect their income and assets. In addition, receiving direct reimbursement for medical expenses not only provides financial protection for employees and their families, but also peace of mind (Note: Supplemental Medical does NOT replace health insurance.)

## Why Supplemental Medical?

There is a growing need for Supplemental Medical insurance. A 2013 study<sup>1</sup> found that bankruptcies resulting from unpaid medical bills affected nearly 2 million people. Even outside of bankruptcy, 56 million adults still struggle with healthcare bills: Nearly 10 million with health insurance still accumulate medical bills they can't pay. To compensate, 15 million will deplete savings and 25 million will cut back on meds. Furthermore, less than half of households above poverty level have enough assets to cover an out-of-pocket maximum of \$3000-\$6000<sup>2</sup>.

<sup>1</sup> NerdWallet Health, 2013; <sup>2</sup> Kaiser Family Foundation, Issue Brief, March 2015

## Why Beazley Supplemental Medical Expense?

Our Supplemental Medical Expense (out-of-pocket) is a gap protection product, which reimburses certain out-of-pocket medical expenses. It requires an underlying major medical plan, and works most effectively for groups with high-deductible plans. The benefit may be offered employer-funded, or employee-paid (voluntary), or a combination of the two. Coverage is offered on a guarantee issue basis with no medical underwriting. Dependent coverage is available.

We offer several benefit options (see back page for details):

- The Inpatient hospital benefit reimburses deductibles, co-pays and co-insurance incurred during hospitalization. We reimburse expenses for admissions that are due to an illness or an accident, as well as routine nursery care during an OB admission and mental/nervous hospital admission. We also reimburse expenses for admissions due to mental/nervous conditions (as long as treatment occurs in an inpatient hospital facility).
- The Outpatient hospital benefit reimburses out-of-pocket expenses incurred for certain procedures performed in select outpatient facilities.
- Additional benefit options include reimbursement of ambulance transportation, as well as indemnity coverage for physician's office/urgent care visits or prescription drug charges.

### Our Product at a Glance

- Reimburses eligible inpatient and outpatient out-of-pocket expenses, plus other optional benefits.
- Works well for groups with high-deductible plans (not available to groups with health savings accounts).
- Offered guarantee issue (no medical questions).
- Flexible funding options (employer-funded, employee-paid, or combination).
- Composite rates with employer funding.
- Offered down to 10 lives (employees).

**SUPPLEMENTAL MEDICAL EXPENSE - PLAN DESIGN OPTIONS**

PLAN DESIGN	RANGE OF OPTIONS	
<b>Funding Options</b>	<ul style="list-style-type: none"> <li>• May offer employer-paid, or employee-paid (voluntary), or a combination of the two</li> </ul>	
<b>Underwriting</b>	<ul style="list-style-type: none"> <li>• Guarantee issue</li> </ul>	
<b>Benefit Options</b>	<b>Benefit Definitions</b>	<b>Benefit Amounts</b>
<b>Inpatient hospital benefit (required benefit)</b>	Reimburses deductibles, co-pays and co-insurance incurred during inpatient hospitalization, such as hospital room and board and other inpatient hospital expenses.	Reimbursement levels: <ul style="list-style-type: none"> <li>• Per insured: \$500-\$6,000</li> <li>• Per family: 2-3 times benefit year maximum per insured</li> </ul>
<b>Outpatient hospital benefit (optional benefit)</b>	Reimburses eligible out-of-pocket expenses incurred in select outpatient facilities (each option is selected and rated at the case level): <ul style="list-style-type: none"> <li>• Treatment in a hospital ER (not admitted).</li> <li>• Surgery and other Surgical procedures:                             <ul style="list-style-type: none"> <li>• In outpatient hospital or surgery center.</li> <li>• In Physician's Office or Urgent Care facility (optional).</li> </ul> </li> <li>• Radiological diagnostic testing:                             <ul style="list-style-type: none"> <li>• In an outpatient hospital or MRI facility.</li> <li>• In Physician's Office or Urgent Care facility (optional).</li> </ul> </li> <li>• Chemotherapy/Radiation Therapy performed in a licensed facility (optional).</li> </ul>	Reimbursement levels: <ul style="list-style-type: none"> <li>• Per insured: (10-50% of inpatient benefit)</li> <li>• Per family: 2-3 times benefit year maximum per insured</li> </ul>
<b>Other Optional Benefits:</b>		
<b>Ambulance benefit</b>	<ul style="list-style-type: none"> <li>• Reimburses eligible out-of-pocket expenses for transportation provided by a licensed ambulance company to a hospital emergency room or trauma center.</li> </ul>	Reimbursement levels: <ul style="list-style-type: none"> <li>• Per insured: \$150-\$350</li> <li>• Per family: 2-3 times benefit year maximum per insured</li> </ul>
<b>Physician's office/urgent care visit</b>	<ul style="list-style-type: none"> <li>• Covers services rendered by a physician at the physician's office or urgent care facility.</li> </ul>	Indemnity coverage levels: <ul style="list-style-type: none"> <li>• Per insured: \$15-\$125, 3-6 visits</li> </ul>
<b>Prescription drug benefit</b>	<ul style="list-style-type: none"> <li>• Covers prescription drug charges.</li> </ul>	Indemnity coverage levels: <ul style="list-style-type: none"> <li>• Per insured: \$5-\$25 per prescription, 5-12 prescriptions</li> </ul>
<b>Participation Requirements</b>	<ul style="list-style-type: none"> <li>• Groups with 10-19 eligible employees require a minimum of 8 covered employees.</li> <li>• Groups with 20-49 eligible employees require a minimum of 12 covered employees.</li> <li>• Groups with 50-99 eligible employees require a minimum of 15 covered employees.</li> <li>• Groups with 100+ eligible employees require a minimum of 15% participation.</li> </ul>	

**Contact us**

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The Supplemental Medical Expense (out-of-pocket) plan is not a major medical plan. The product is designed to reimburse certain covered expenses, and is only available if an employer has a major medical plan in place. Out-of-pocket expenses submitted for reimbursement must be eligible under the major medical plan, and must meet the coverage definitions under our policy (may not include full reimbursement, if annual plan limits have been met). Riders for outpatient services performed in a physician's office/urgent care, or for outpatient chemotherapy/radiation performed in a licensed facility, may not be available in all states.

Benefits and range of options may vary by state. Premium will vary based on plan chosen. A waiting period for late entrants may apply. This policy is renewable at the option of the company. This material is intended for informational purposes for brokers and other related distribution entities only. This material is not intended to be accessible in Arizona, Missouri, New Hampshire, Oregon, and Washington until any required approvals have been obtained.

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Beazley includes the issuing company of Beazley Insurance Company, Inc., 30 Batterson Park Road, Farmington, Connecticut, 06032. Beazley is rated A by A.M. Best.

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