

Marketplace Information and Introduction



What is a Marketplace/Exchange?

Marketplace and Exchange are completely the same concepts. An online location to shop for insurance that best suits yourself and your family.

What is the difference between a public or private marketplace?

- A public marketplace is a marketplace that is run by the state or federal government. Each state had the opportunity to create a state exchange (like Minnesota's state exchange called MN Sure). Or the federal exchange (North Dakota opted to send consumers to the federal exchange). If you qualify for a subsidy, you'd be able to use this credit at your state or federal marketplace.
- A private marketplace is run by someone other than the state or federal government, like the Marketplace. It's run and created privately, but open to anyone. If you qualify for a subsidy, you would NOT be able to use the subsidy toward the purchase of your benefits through a private exchange.

What is the Marketplace?

WEX Health Inc has hired a technology company who specializes in exchange/marketplace builds (Connected Health; www.connectedhealth.com) to build a private insurance marketplace that will be branded "Marketplace" marketplace.wexhealth.com). A variety of insurance products will be available through our marketplace such as health, dental, vision, identity theft protection, as well as others. As our marketplace grows, the list of products and carriers will also continue to grow.

Why are we building the Marketplace?

Employees/individuals/part-time employees/contract employees who don't qualify for group healthcare coverage still must carry health care insurance effective 1/1/14 as part of the Affordable Care Act (ACA). Marketplaces are a way for people to find coverage that fits their budget and meets their needs. Often times, qualified beneficiaries find that electing COBRA is too costly or the plan that their employer offers is more than they need during a transition to a new job. We feel that offering a marketplace option in addition to COBRA is a great alternative to sending qualified beneficiaries off to buy individual policies with a carrier. Currently, if a qualified beneficiary

decides that COBRA is not the right choice, WEX loses that participant to the open market. By building our own marketplace, we have another way of helping people find options that may better-suit them. WEX will get paid a commission on each QB that elects a plan.

1/1/14 what options will a QB have to elect benefits?

- Do nothing (paying a penalty for not having insurance)
- Elect COBRA
- Shop for insurance on the Marketplace
- Get insurance through your new employer's benefit plan
- Shop on the federal/state exchange

What types of products will be available on the marketplace?

- Medical
- Dental
- Vision
- Health Saving
- Account (DBI is the only provider)
- Discount Dental
- Discount Vision
- Discount Rx
- RX Assistance
- Critical Illness
- Accident
- TeleMed
- Advocacy
- Wellness
- Tele-Counseling
- Identity Theft
- Legal
- Pet Insurance

What is a subsidy?

A subsidy is a credit that eligible people will receive if they make a certain amount of income. It is meant to help offset the cost of insurance for people who are having a difficult time affording it. Specifically, households with incomes below 400% of the federal poverty line who are enrolled in insurance plans offered through the exchanges are eligible for premium assistance financed by the federal government.

Will our Marketplace tie to the Federal Marketplace?

YES! This is one of the most unique features about the Marketplace! A shopper will answer a series of questions to help define who they are and what type of insurance might be a best fit for them. One question is related to annual income. If the intuitive software technology thinks you may be eligible to receive a subsidy, it will push you to shop at the federal exchange. We want the shopper to end up with the right coverage for them- even if that means not shopping on the Marketplace.

When do we anticipate the Marketplace going live?

We have a commitment from ConnectedHealth that our marketplace site will be live and functional November 15th (meaning people can shop on the site to purchase benefits for 1/1/14). Meetings are starting to happen internally across the teams that will interact with the marketplace the most to formulate processes, create marketing/communications and train the teams. Although we anticipate the site going live on/around November 15th, we have yet to determine a timeline for the marketing of Marketplace.

How will we spread the word about the Marketplace?

We have three different audiences for the announcement of the Marketplace:

1. Consultants- We will use Constant Contact to send an email to all of our consultant contacts regarding this new product. Also included in the email will be a link to a marketing piece on the marketplace, with the Marketplace brand. We are sending Tier 2 consultants first, then sending to all other (Tier 3 and Tier 1) consultants.
2. Existing Employers- We will use Constant Contact to send an email to all Primary Contacts listed in Workview. This email will allow a 15 day "opt out" period for employers. CAM will field the "opt out" groups, and the verbiage will be removed from the client's notices. (Of course, at any time after the 15 day offering we will allow a client to opt out, as well).
3. Participants- About a week after the 15 day "opt out" period, DBI will add verbiage in various COBRA letters notifying Qualified Beneficiaries of the marketplace options.

What employee facing documents will be updated to include Marketplace verbiage?

- COBRA Specific Rights Notice letter
- COBRA Termination Notice
- Conversion Option Notice
- Plan Change Notice

What do each of these notices communicate?

COBRA Specific Rights Notice Letter (aka Qualifying Event Notice): After one of the COBRA triggering life events causing a loss of coverage, this notice goes out to a qualified beneficiary to communicate their COBRA options.

- COBRA Termination Notice: a termination notice is a notice distributed by the plan administrator to the qualified beneficiary advising of the termination of the qualified beneficiary's COBRA coverage.
- Conversion Option Notice: this notice goes out to those currently on COBRA 6 months prior to the final date of their COBRA. This gives an employee an option after COBRA is over to elect (if offered) a similar coverage to the group health in an individual policy. The premiums are usually more expensive, not all groups offer this conversion from group to individual coverage.
- Plan Change Notice: A plan change notice goes out to advise a plan change. Plan changes can occur as rates increase, election of different coverage level.
- Takeover Notice: A notice that is sent out to a member who is enrolled or pending enrollment under COBRA and has been previously managed by another COBRA administrator or the employer to notify them of the change in vendor.

What Employer facing documents will be updated to include Marketplace verbiage?

- ASA (completed 9/4)
- Employer Guide
- Employer Resource Guide
- Marketing RFPs

What book of business is this being marketed towards?

We will start out with the DBI book of business. This doesn't include the Mercer Marketplace, the MSA Benefit Focus groups, or the other private label partners including the Benefit Services Account instance (BSA).

Is WEX the first TPA to offer a marketplace or exchange?

There are actually a few TPA's that offer alternative places for participants to find coverage. We feel strongly based on our research that our marketplace and the options within the marketplace will be unlike anything else that our competitors have been able to build. One unique feature of our marketplace is that it is essentially connected to the Federally-Facilitated Marketplace (FFM). This tie in with the FFM is unique in that if our site feels that a consumer may qualify for a federal subsidy to buy insurance, it will link them directly to the FFM's site to continue the verification and enrollment process. WEX Health Inc will not benefit from FFM enrollments, but we want people to have the best options for themselves and their families.

How will this affect WEX Health Inc?

Our employer/consultant facing service teams will be able to talk to employers and consultants about the exchange with confidence. Explaining why the marketplace is a benefit for employers. Our sales team will use this as a way to help sell DBI in general. We are adding a new and exciting product that their clients will love; it could help keep the cost of premiums down for their clients (employers). Our PS team will be taking calls from individuals who have questions about the marketplace or COBRA. We don't know 100% what the transfer process will look like to ConnectedHealth, but we will outline more in the future. Since ConnectedHealth has licensed agents, they can advise and counsel consumers on their options. They can help them to make a decision on benefits that are right for them, something that our DBI PS team is not able to do as they are not licensed. Of course any consumer who elected an HDHP and HSA (through the DBI Individual Instance of 1Cloud) will be serviced by WEX, as any other individual HSA consumer is today.

How does open enrollment work?

The website will open on November 15th and will walk people through the enrollment process and will allow the member to manage their account throughout the rest of the year. If participants have questions surrounding the OE process, there will be a toll-free number that they can call that will directly connect them to a licensed benefits counselor.

What are the open enrollment time frames?

The open enrollment timeframe is not specific to each carrier. It conforms to the open enrollment period of October 1, 2013- March 31, 2014. It will be shorter for the 2015 plans (likely October 1- December 7, 2014). Remember, our site will be live to shop November 15th.

Can an individual enroll in COBRA for a couple

months then decide to go to the Marketplace?

I'm not sure whether a QB just deciding to stop paying for COBRA in order to lose coverage would qualify as a reason to give that person a "special enrollment period". Willis' attorney was looking into this question.

Is there a phone number we can provide ERs who call us with specific questions?

Since it is our Marketplace, we should be able to handle those calls internally. Are there examples of ER-based questions that we are already receiving or we anticipate receiving? The call center that we can patch participants to for their questions is not really the right arena for employer/consultant-based questions.

Do we have a list of the plans that will be offered through the marketplace for Colorado, Kansas, and Texas?

Please see the other document entitled "List of Carriers" for a list of 2013 current carriers. This list will be updating as we approach 2014.

Can I buy or change private health plan coverage outside of OE?

In general, you can have a special enrollment opportunity to sign up for private, non-group coverage during the year, other than during Open Enrollment period, if you have a qualifying life event. Events that trigger a special enrollment opportunity are:

- Loss of eligibility for other coverage (for example if you quit your job or were laid off or if your hours were reduced, or if you lose student health coverage when you graduate) Note that loss of eligibility for other coverage because you didn't pay premiums does not trigger a special enrollment opportunity
- Gaining a dependent (for example, if you get married or give birth to or adopt a child). Note that pregnancy does NOT trigger a special enrollment opportunity.
- Divorce or legal separation
- Loss of dependent status (for example, "aging off" a parents' plan when you turn 26)
- Moving to another state or within a state if you move outside of your health plan service area
- Exhaustion of COBRA coverage
- Losing eligibility for Medicaid or the Children's Health Insurance Program
- For people enrolled in a Marketplace plan, income increases or decreases enough to change your eligibility for subsidies
- Change in immigration status
- Enrollment or eligibility error made by the Marketplace or another government agency or somebody, such as an assister, acting on their behalf. Note that some triggering events will only

qualify you for a special enrollment opportunity in the health insurance Marketplace; they do not apply in the outside market. For example, if you gain citizenship or lawfully present status, the Marketplace must provide you with a special enrollment opportunity.

When you experience a qualifying event, your special enrollment opportunity will last 60 days from the date of that triggering event. States have flexibility to expand special enrollment opportunities for consumers. Check with your State Marketplace for more information.

I signed up for a Bronze plan with a high deductible during Open Enrollment. Now, six months later, I need surgery and would rather be in a different plan with a lower deductible. Can I change plans?

No, in general, once you sign up for a plan, you are locked into that coverage for 12 months, or until the next Open Enrollment period. A change in health status doesn't make you eligible for a special enrollment opportunity. However, if you are shopping on a private exchange, you are able to change plans mid-year.

I have COBRA and it's too expensive. Can I drop it during Open Enrollment and enroll in a Public Marketplace plan instead (FFM or state run exchange)?

During Open Enrollment, you can sign up for a Marketplace plan even if you already have COBRA. You will have to drop your COBRA coverage effective on the date your new Marketplace plan coverage begins. After Open Enrollment ends, however, if you voluntarily drop your COBRA coverage or stop paying premiums, you will not be eligible for a special enrollment opportunity and will have to wait until the next open enrollment period. Only exhaustion of your COBRA coverage triggers a special enrollment opportunity.

I have COBRA and am finding it difficult to afford, but Open Enrollment is over. Can I drop my COBRA and apply for non-group coverage outside of Open Enrollment?

No, voluntarily dropping your COBRA coverage or ceasing to pay your COBRA premiums will not

trigger a special enrollment opportunity. You will have to wait until you exhaust your COBRA coverage or until the next Open Enrollment (whichever comes first) to sign up for other non-group coverage.

I'm leaving my job and will be eligible for COBRA. Can I shop for public exchange coverage and subsidies on the Marketplace (FFM) instead?

Yes, leaving your job and losing eligibility for job-based health coverage will trigger a special enrollment opportunity that lasts for 60 days. You can apply for Marketplace health plans and (depending on your income) for premium tax credits and cost sharing reductions during that period. If you enroll in COBRA coverage through your former employer, however, you will need to wait to the next Marketplace open enrollment period if you want to switch to a Marketplace plan.

