

High Deductible Plans for Individuals and Families



PreferredOne®
INSURANCE COMPANY

www.preferredone.com



Dear Prospective Members:

Thank you for your interest in the PreferredOne Insurance Company (PIC) Individual Plans. Information is provided for everything you need to apply for membership: Plan Options/Highlights, Rates and Premium Estimate Worksheet (enclosed), Payment Options, Website and Health Savings Account (HSA) information.

Plan Options

You may choose from the plans listed on page 3 – various deductible, coinsurance and out-of-pocket options.



Provider Network

You will have convenient access to the providers in the PreferredOne Open Access Network 200, with over 7,800 primary care physicians, 8,000 specialists and 265 hospitals. You may see any provider in the network and referrals are not required. You do not have to select a primary care clinic. Visit www.preferredone.com, click Find a Provider and select Open Access Network 200 to search for providers.

If you choose to receive services from a non-participating provider, you will be responsible for the applicable deductibles and coinsurance, plus the difference between PIC's non-participating provider reimbursement amount (generally based on a fee schedule) and the non-participating provider's billed charges.

Pharmacy Access

Over 900 pharmacies in Minnesota (56,000 plus pharmacies nationwide) provide pharmacy services through Express Scripts Inc. (ESI). Once enrolled, members can access ESI's website for drug and pharmacy information by visiting www.preferredone.com and logging in under For Members.

Health Savings Account (HSA)

Some plan options are intended to qualify as a high deductible health plan that may be paired with a Health Savings Account (HSA). See PLAN HIGHLIGHTS on page 3 for HSA qualified high deductible plans. Health Savings Accounts have two parts:

1. The first part is a health insurance policy (PIC individual plan option) that covers eligible medical expenses;
2. The second part is an HSA account, typically set up with a bank/trustee, from which you can withdraw money tax-free to pay for eligible medical expenses.

Please see page 5 of this brochure for more information on HSAs. Check with your tax advisor for guidance on your particular situation.



Chemical Dependency Rider Option

When you apply, you may select Chemical Dependency coverage for an additional cost. Coverage includes benefits for the diagnosis and treatment of chemical dependency related disorders, including inpatient and outpatient services.

www.preferredone.com

See page 4 for a summary of the information available at PreferredOne's website.

If you have any questions, please contact your PreferredOne agent, go to www.preferredone.com and click Individual Plan or call PreferredOne Customer Service at 763-847-4477 or toll free at 1-800-997-1750, Monday through Friday, 7 a.m. to 7 p.m. CST.

PLAN HIGHLIGHTS

The information below provides a summary of benefits and is not meant to be all-inclusive. The Individual Contract will include a complete description of benefits and exclusions.

	HSA Qualified Plans				Non HSA Plans										
	5200 Plan	5250 Plan	5450 Plan	5510 Plan	5700 Plan	5515 Plan									
Coinurance Options	100% of eligible charges														
Deductible Options (combined for participating and non-participating providers per calendar year)	\$2,000 individual or \$4,000 family	\$2,850 individual or \$5,650 family	\$4,500 individual or \$9,000 family	\$5,500 individual or \$11,000 family	\$7,000 individual or \$14,000 family	\$15,000 individual or \$25,000 family									
Out-of-Pocket Limit (for participating providers per calendar year; see Contract for combined limits)	\$2,000 individual or \$4,000 family	\$2,850 individual or \$5,650 family	\$4,500 individual or \$9,000 family	\$5,500 individual or \$11,000 family	\$7,000 individual or \$14,000 family	\$15,000 individual or \$25,000 family									
Maximum Lifetime Benefit Per Family Member (combined for participating and non-participating provider)	\$3,000,000														
In-Network Coverage (provided by participating providers)															
Preventive Health Care Services Preventive health physicals, immunizations, laboratory tests, pathology and radiology	Plan pays 100% of the first \$300 of eligible charges (no deductible) (\$500 maximum benefit per member, per calendar year, subject to the deductible)														
Cancer screenings - mammograms, PSA tests, pap smears	100% after deductible														
Prenatal care and well-baby/child health services (coverage to age 6, immunization to age 18)	100% (no deductible)														
Office Visits Sickness or injury	100% after deductible														
Hospital Services Inpatient & Outpatient															
Urgent Care															
Emergency Room Services															
Emergency Ambulance Services															
Prescription Drugs – Formulary and non-formulary drugs: Up to a 31 day supply of prescription drugs, oral contraceptive or one type of insulin – Mail order drugs for up to 93 day supply		100% after deductible													
Durable Medical Equipment															
Home Health (maximum of \$25,000 per member per calendar year)															
Physical, Occupational and Speech Therapy															
Skilled Nursing Facility Care															
Maternity (labor and delivery subject to an 18 month exclusionary period)															
Out-of-Network Services	These plans cover out-of-network services from non-participating providers. Covered benefits are subject to a separate out-of-network coinsurance as listed below. Please refer to the Individual Contract for complete details.														
Coinurance Options	80% after deductible	75% after deductible	100% after deductible												
Out-of-Pocket Limit (combined for participating and non-participating providers per calendar year)	\$3,500 individual or \$7,500 family	\$5,000 individual or \$10,000 family	See In-Network Out-of-Pocket Limit												
Chemical Dependency Rider Option	Only applies if selected upon initial application														
In-Network Office Visits In-Network Outpatient Services In-Network Inpatient Services	100% after deductible														

Once you have enrolled with PreferredOne Insurance Company, you will receive a new member packet that will include your ID cards and Individual Contract. These plan options do not cover all health care expenses. A brief summary of excluded or limited benefits includes, but is not limited to: eyeglasses; contact lenses; hearing aids; cosmetic surgery; chiropractic services; mental nervous services and associated prescription drugs; weight loss surgery and associated prescription drugs; treatment, service or procedures which are experimental, investigative or are not medically necessary. Your Contract will explain your coverage terms and conditions in detail.



Visit www.preferredone.com

**INFORMATION ABOUT
YOU & YOUR HEALTH BENEFITS
IS AVAILABLE
ON THE WEB 24/7.**

The following information is available at the PreferredOne website:

• **Medical Cost Tools**

- Overall Cost Rankings for PreferredOne Hospitals (inpatient/outpatient, low to high)
- Reprice My Claims (reprice existing claims with other PreferredOne providers)
- Compare Clinic Costs by Type of Service (view a cost comparison for frequently performed services)
- Ask a Physician a Medical Cost Question (submit medical cost questions to a PreferredOne physician)
- Select and Compare Imaging Provider Costs (view cost comparisons for MRI, CT & PET/CT scans)
- Review General Costs of Medical Care
- View Specific Costs for Providers

• **Search for a Provider**

• **Claims/Explanation of Benefits Inquiry/
Deductible & Out-of-Pocket Balances**

• **Email Address/EOB Delivery Settings
(sign up for EOBS online)**

• **Individual Contract**

• **Health Account Statement**

(create medical/dental/Rx claim history statement sorted by name & date)

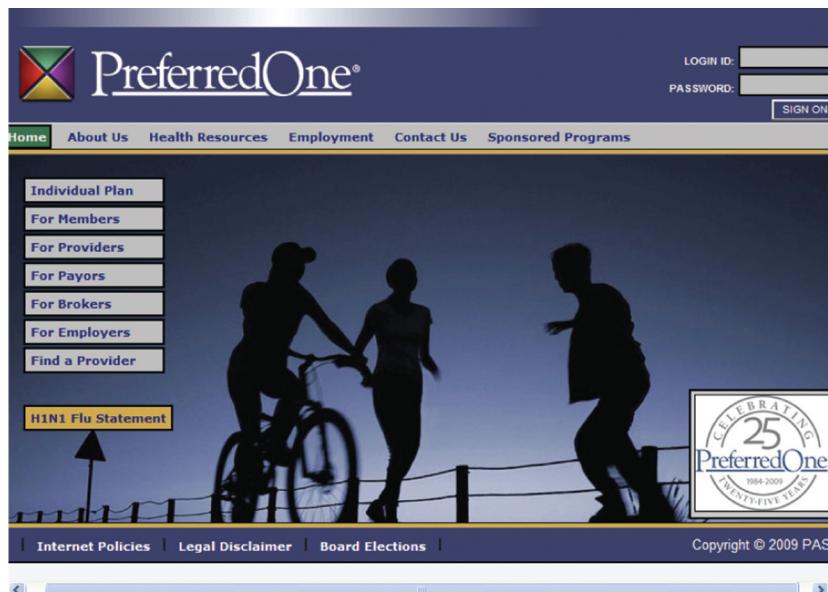
• **ID Card Request**

• **Billing Statements**

• **Health Resources**

- Healthcare Related Links
- Health Risk Assessment
- Preventive Services Guidelines
- Medical Policy
- Member Discount Programs

• **Pharmacy Information**



Questions? Please call Customer Service at 763.847.4477 or 800.997.1750.

HEALTH SAVINGS ACCOUNT (HSA) INFORMATION

NOTE: PreferredOne Insurance Company offers qualified high deductible health plans. PreferredOne is not a custodian or trustee of Health Savings Accounts (HSA).

If you want information on HSAs, the following details regarding HSAs can be found on the IRS government website at www.irs.gov/pub/irs-pdf/p969.pdf. The following information was taken from pages 2-3 of Publication 969 in June 2008.

What are the benefits of an HSA?

- You can claim a tax deduction for contributions you, or someone other than your employer, make to your HSA even if you do not itemize your deductions on Form 1040.
- Contributions to your HSA made by your employer (including contributions made through a cafeteria plan) may be excluded from your gross income.
- The contributions remain in your account from year to year until you use them.
- The interest or other earnings on the assets in the account are tax free.
- Distributions may be tax free if you pay qualified medical expenses (see Qualified Medical Expenses below).
- An HSA is “portable” so it stays with you if you change employers or leave the work force.

Qualified Medical Expenses

Medical expenses for the purposes of an HSA are listed on pages 7 and 8 of IRS Publication 502 at www.irs.gov/pub/irs-pdf/p502.pdf. Qualified medical expenses are defined as those expenses that would generally qualify for the medical and dental expenses deduction. These are explained in Publication 502, Medical and Dental Expenses. However, even though non-prescription medicines (other than insulin) do not qualify for the medical and dental expenses deduction, they do qualify as expenses for HSA purposes. Qualified medical expenses are those incurred by the following persons (information taken from pages 7-8 of Publication 502 as of June 2008):



1. You and your spouse.
2. All dependents you claim on your tax return.
3. Any person you could have claimed as a dependent on your return except that:
 - a. The person filed a joint return,
 - b. The person had gross income of \$3,400 or more, or
 - c. You, or your spouse if filing jointly, could be claimed as a dependent on someone else's return.

You cannot deduct qualified medical expenses as an itemized deduction on Schedule A (Form 1040) that are equal to the tax-free distribution from your HSA.

Special Rules for Insurance Premiums

Generally, you cannot treat insurance premiums as qualified medical expenses for HSAs. You can, however, treat premiums for long-term care coverage, health care coverage while you receive unemployment benefits, or health care continuation coverage required under any federal law as qualified medical expenses for HSAs. If you are age 65 or older, you can treat insurance premiums (other than premiums for a Medicare supplemental policy, such as Medigap) as qualified medical expenses for HSAs.

The premiums for long-term care coverage that you can treat as qualified medical expenses are subject to limits based on age and are adjusted annually. See limits on long-term care premiums you can deduct in the instructions for Schedule A (Form 1040).

PreferredOne High Deductible Plans for Individuals and Families
Monthly Rates (Effective 10-1-2009)



Rate Area 1 without Chemical Dependency Coverage							Rate Area 1 with Chemical Dependency Coverage						
Rate Area 1 includes all Minnesota counties except Big Stone, Blue Earth, Brown, Chippewa, Dodge, Douglas, Faribault, Fillmore, Freeborn, Goodhue, Houston, Kandiyohi, Lac Qui Parle, Lyon, Mower, Olmsted, Otter Tail, Pipestone, Pope, Redwood, Renville, Steele, Stevens, Swift, Traverse, Wabasha, Waseca, Winona.													
	HSA Qualified Plans			Non HSA Plans				HSA Qualified Plans			Non HSA Plans		
	5200 Plan	5250 Plan	5450 Plan	5510 Plan	5700 Plan	5515 Plan		5200 Plan	5250 Plan	5450 Plan	5510 Plan	5700 Plan	5515 Plan
Coinsurance	100%						Coinurance	100%					
Individual Deductible	\$2,000	\$2,850	\$4,500	\$5,500	\$7,000	\$15,000	Individual Deductible	\$2,000	\$2,850	\$4,500	\$5,500	\$7,000	\$15,000
Family Deductible	\$4,000	\$5,650	\$9,000	\$11,000	\$14,000	\$25,000	Family Deductible	\$4,000	\$5,650	\$9,000	\$11,000	\$14,000	\$25,000
Age Band							Age Band						
0-24	141.08	118.62	99.86	91.78	82.33	54.80	0-24	145.31	122.18	102.86	94.53	84.80	56.44
25-29	141.08	118.62	99.86	91.78	82.33	54.80	25-29	145.31	122.18	102.86	94.53	84.80	56.44
30-34	141.08	118.62	99.86	91.78	82.33	54.80	30-34	145.31	122.18	102.86	94.53	84.80	56.44
35-39	156.71	131.79	110.96	101.99	91.49	60.89	35-39	161.42	135.74	114.29	105.05	94.23	62.72
40-44	180.26	151.58	127.60	117.28	105.20	70.01	40-44	185.67	156.12	131.42	120.80	108.35	72.11
45-49	227.29	191.11	160.88	147.87	132.63	88.28	45-49	234.11	196.84	165.71	152.30	136.61	90.92
50-54	297.83	250.42	210.83	193.77	173.81	115.68	50-54	306.76	257.93	217.15	199.58	179.03	119.15
55-59	384.04	322.91	271.85	249.86	224.12	149.16	55-59	395.56	332.60	280.00	257.35	230.84	153.64
60-64	423.22	355.85	299.57	275.34	246.98	164.38	60-64	435.92	366.53	308.56	283.60	254.39	169.31
Age Band													
1 Child	93.26	78.59	66.17	60.82	54.56	36.31	1 Child	96.05	80.95	68.15	62.64	56.19	37.40
2 Children	186.52	157.18	132.34	121.64	109.12	72.62	2 Children	192.10	161.90	136.30	125.28	112.38	74.80
3+ Children	279.78	235.77	198.51	182.46	163.68	108.93	3+ Children	288.15	242.85	204.45	187.92	168.57	112.20
Rate Area 2 without Chemical Dependency Coverage							Rate Area 2 with Chemical Dependency Coverage						
Rate Area 2 includes the Minnesota counties of Big Stone, Brown, Chippewa, Douglas, Kandiyohi, Lac Qui Parle, Lyon, Otter Tail, Pipestone, Pope, Redwood, Renville, Stevens, Swift, Traverse.													
	HSA Qualified Plans			Non HSA Plans				HSA Qualified Plans			Non HSA Plans		
	5200 Plan	5250 Plan	5450 Plan	5510 Plan	5700 Plan	5515 Plan		5200 Plan	5250 Plan	5450 Plan	5510 Plan	5700 Plan	5515 Plan
Coinsurance	100%						Coinurance	100%					
Individual Deductible	\$2,000	\$2,850	\$4,500	\$5,500	\$7,000	\$15,000	Individual Deductible	\$2,000	\$2,850	\$4,500	\$5,500	\$7,000	\$15,000
Family Deductible	\$4,000	\$5,650	\$9,000	\$11,000	\$14,000	\$25,000	Family Deductible	\$4,000	\$5,650	\$9,000	\$11,000	\$14,000	\$25,000
Age Band							Age Band						
0-24	134.03	112.69	94.87	87.19	78.21	52.06	0-24	138.05	116.07	97.71	89.80	80.56	53.62
25-29	134.03	112.69	94.87	87.19	78.21	52.06	25-29	138.05	116.07	97.71	89.80	80.56	53.62
30-34	134.03	112.69	94.87	87.19	78.21	52.06	30-34	138.05	116.07	97.71	89.80	80.56	53.62
35-39	148.88	125.20	105.41	96.89	86.91	57.84	35-39	153.34	128.96	108.58	99.80	89.52	59.58
40-44	171.25	144.00	121.22	111.41	99.94	66.51	40-44	176.39	148.31	124.85	114.76	102.93	68.51
45-49	215.92	181.55	152.83	140.48	126.00	83.86	45-49	222.40	187.00	157.42	144.69	129.78	86.38
50-54	282.93	237.90	200.28	184.08	165.12	109.90	50-54	291.42	245.04	206.29	189.60	170.07	113.19
55-59	364.84	306.76	258.25	237.36	212.92	141.70	55-59	375.78	315.97	266.00	244.48	219.30	145.96
60-64	402.06	338.06	284.59	261.57	234.63	156.16	60-64	414.12	348.20	293.13	269.42	241.67	160.85
Age Band													
1 Child	88.59	74.66	62.86	57.78	51.83	34.49	1 Child	91.25	76.90	64.74	59.51	53.38	35.53
2 Children	177.18	149.32	125.72	115.56	103.66	68.98	2 Children	182.50	153.80	129.48	119.02	106.76	71.06
3+ Children	265.77	223.98	188.58	173.34	155.49	103.47	3+ Children	273.75	230.70	194.22	178.53	160.14	106.59

For additional rate information, see reverse side.

PreferredOne High Deductible Plans for Individuals and Families

Monthly Rates (Effective 10-1-2009)

Rate Area 3 without Chemical Dependency Coverage						Rate Area 3 with Chemical Dependency Coverage							
Rate Area 3 includes the Minnesota counties of Blue Earth, Dodge, Faribault, Fillmore, Freeborn, Goodhue, Houston, Mower, Olmsted, Steele, Wabasha, Waseca, Winona.													
	HSA Qualified Plans			Non HSA Plans			HSA Qualified Plans				Non HSA Plans		
	5200 Plan	5250 Plan	5450 Plan	5510 Plan	5700 Plan	5515 Plan		5200 Plan	5250 Plan	5450 Plan	5510 Plan		
Coinsurance	100%						Coinurance	100%					
Individual Deductible	\$2,000	\$2,850	\$4,500	\$5,500	\$7,000	\$15,000	Individual Deductible	\$2,000	\$2,850	\$4,500	\$5,500	\$7,000	\$15,000
Family Deductible	\$4,000	\$5,650	\$9,000	\$11,000	\$14,000	\$25,000	Family Deductible	\$4,000	\$5,650	\$9,000	\$11,000	\$14,000	\$25,000
Age Band						Age Band							
0-24	152.37	128.11	107.85	99.12	88.91	59.18	0-24	156.94	131.95	111.08	102.09	91.58	60.95
25-29	152.37	128.11	107.85	99.12	88.91	59.18	25-29	156.94	131.95	111.08	102.09	91.58	60.95
30-34	152.37	128.11	107.85	99.12	88.91	59.18	30-34	156.94	131.95	111.08	102.09	91.58	60.95
35-39	169.25	142.33	119.84	110.15	98.80	65.76	35-39	174.33	146.60	123.44	113.46	101.77	67.73
40-44	194.68	163.70	137.81	126.66	113.61	75.61	40-44	200.52	168.61	141.94	130.46	117.02	77.88
45-49	245.47	206.40	173.75	159.70	143.24	95.34	45-49	252.83	212.58	178.96	164.49	147.54	98.20
50-54	321.65	270.45	227.69	209.27	187.72	124.93	50-54	331.30	278.57	234.52	215.55	193.35	128.68
55-59	414.76	348.74	293.59	269.84	242.05	161.09	55-59	427.20	359.20	302.40	277.94	249.31	165.93
60-64	457.07	384.32	323.54	297.37	266.74	177.53	60-64	470.79	395.85	333.24	306.29	274.74	182.86
1 Child	100.72	84.88	71.46	65.68	58.92	39.21	1 Child	103.74	87.42	73.60	67.65	60.69	40.39
2 Children	201.44	169.76	142.92	131.36	117.84	78.42	2 Children	207.48	174.84	147.20	135.30	121.38	80.78
3+ Children	302.16	254.64	214.38	197.04	176.76	117.63	3+ Children	311.22	262.26	220.80	202.95	182.07	121.17

Monthly Rates

The premium rates for PreferredOne Insurance Company (PIC) Individual Plans are determined by the age and health history of the individuals applying for coverage. Based on the applicant's health history, final rates may be up to 66.7% higher than the listed preferred rates.

Family Coverage

Family coverage consists of an eligible adult subscriber and spouse or an adult subscriber and one or more dependent children. To qualify for family coverage, dependent children must be 6 months of age through age 24. Premiums will be charged for a maximum of three children on a family contract.

Dependent Children Coverage Only

For dependent children only coverage dependent children must be 6 months of age through 18. To estimate the premium when covering dependent children only, use the 0-24 Age Band rate for the first child. Any additional children will be charged the dependent children rates. Premiums will be charged for a maximum of three additional children.

Rate Changes

Please note that rates will change when your age places you in a new age band (rates are listed in 5-year increments).

Premium Estimate Worksheet

1. Select the plan/deductible option.
2. Determine the age of each applicant.
3. Fill in the premiums for each applicant below.
4. Add the premiums for the total.

Calculate your Premium:

Applicant Rate \$ _____
(Adult subscriber for family coverage or
first child for dependent children coverage)

Spouse Rate \$ _____

1 Child \$ _____

2 Children \$ _____

3+ Children \$ _____

Total Monthly Premium Estimate

\$ _____

Monthly Payment

- **Monthly Automatic Payment** – A worry free way to make your monthly payment and save on stamps and check. Debits occur on or near the 8th of each month.



PreferredOne®
INSURANCE COMPANY

www.preferredone.com

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