



Redwood Health Services

Health Reimbursement Arrangements HRAs



Redwood Health Services was established in 1976. RHS provides employee benefit plans and third party administrative services to large and small employers.

We have decades of experience with plan design and benefits administration. Employers who use our services and benefit plans have experienced significant savings. We are flexible, affordable, and we offer superior customer service.

RHS Services:

At Redwood Health Services, we offer an array of flexible, affordable health plans that can be individually designed to meet your company’s specific needs. Our products include:

- **POP (premium only plan).** This plan allows employees to pay their share of company health insurance premiums on a pre-tax basis, thereby lowering costs for both employers and employees.
- **Health FSA (flexible spending arrangement).** Employees can use this pre-tax account to fund deductibles, copays, and other expenses not covered by their company health plan.
- **Dependent care FSA.** This pre-tax account can be used to reimburse day-care costs for dependent children and adults.
- **HRA (health reimbursement arrangement).** This plan couples a low-cost health insurance policy with an employer-funded account for deductibles, copays, and other expenses.
- **Full COBRA administration.** We offer complete administrative services for COBRA coverage, including premium collections, notifications and other requirements.
- **Dental and vision plans.** These self-insured plans offer flexible benefits, monthly claims activity reports, and access to many dentists and ophthalmologists.
- **Transportation Plans.** Section 132(f) of the IRS code is a qualified Transportation Plan to reduce the cost of commuting to and returning from work. This benefit can only be provided through an employer.
- **Benefits Card.** With our benefits card, employees can automatically deduct medical, dental and vision expenses from their RHS health plan accounts. No more receipts to photocopy ... no more forms to complete ... no more faxes or letters to send. Thanks to the card, our money-saving health plans are easier than ever to establish and maintain.

To learn how much your company can save, submit an online request at www.rhs.org.

Or contact John Nacol at [707-525-4370](tel:707-525-4370) or jnacol@rhs.org.

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RHS administers all major carrier HRA qualified plans

Major Medical Carrier



Redwood Health Services HRA Plan
(AN EMPLOYER SELF-INSURED HRA)

Overview of Redwood Health Services' HRA Products

The employer designs self-insured services under a **Health Reimbursement Arrangement** (HRA, Code Section 105). The employer establishes the medical services available to their employees and can require copayments to access the medical services allowed in the HRA. The employer can also provide and/or limit the maximum benefit for the services.

The Redwood Health Services HRA concept (**Basic Plus**) was first introduced to and utilized by employers, for medical services in 2001. In addition to medical services, Redwood Health Services has been providing HRA's with dental and vision plans.

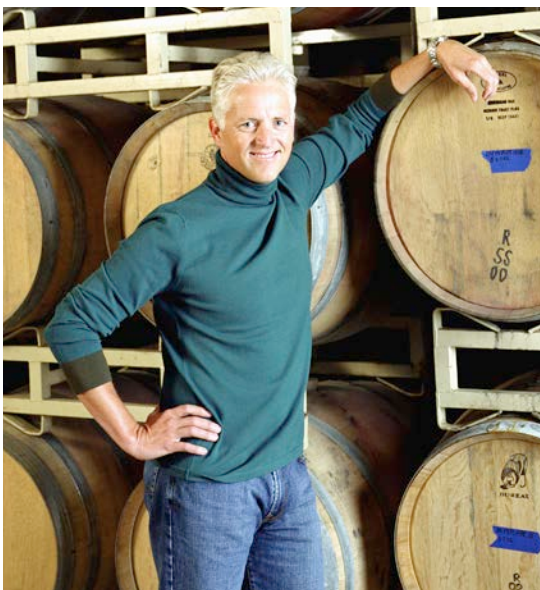
This **Redwood Health Services** product is an employer-sponsored plan which covers deductibles, coinsurance and other services not offered by insurance carriers. It comprises the "Plus" side of the Basic Plus plan.

Redwood Health Services provides most of our HRA products with secondary cards, monthly reports, and trust account statements. The RHS website (rhs.org) provides brokers, employers, and members access to financial information, reports, and forms to assist their management of RHS products.

What is Basic Plus?

Basic Plus is a program whereby a high-deductible plan is purchased by the Employer, who pays a portion or all of the Carrier deductible. Typically this approach can save the Employer 15-30% of their existing premium without a significant reduction of benefits.

Quoting Process



Redwood Health Services provides a quote comparing the HRA plan to the existing employer plan (see sample on page 4).

In order to do a quote, RHS needs the current census, ages of the employees, dependents, status (single, family, etc.), and zip code. We also need the current plan name and renewal premium if available.

The HRA plan cost is calculated by using the current premium of the carrier plan plus the RHS administrative fees and estimated claims for the self-insured portion.

We calculate any savings between the HRA plan and the current plan and indicate the percentage of savings (if any).

E-mail quote requests to quotes@rhs.org or submit them online at www.rhs.org.

Health Plan Cost Comparison (Sample)

September 1, 2019		Renewal Plan Blue Shield Gold Full PPO 750/30 OffEx.	RHS HRA w/ Aetna OA Managed Choice POS Bronze CA 50/50 6800 Ded	RHS HRA w/ Blue Shield Bronze Full PPO 6500/50% OffEx.	RHS HRA w/ Anthem Bronze PPO 70/6300/35%
Dep. Status	No. of EEs	Premium	Total Premium and Admin Fees	Total Premium and Admin Fees	Total Premium and Admin Fees
EE	17	\$ 16,400	\$ 10,953	\$ 12,264	\$ 12,902
EE & SP	2	\$ 3,065	\$ 2,047	\$ 2,292	\$ 2,411
EE & CH	1	\$ 1,382	\$ 923	\$ 1,033	\$ 1,087
EE & FAM	5	\$ 12,708	\$ 8,488	\$ 9,503	\$ 9,997
Employees	25	\$ 33,555	\$ 22,412	\$ 25,092	\$ 26,397
Members	38				
Administration @	\$30		\$750	\$750	\$750
Estimated claims per month *			\$3,040	\$3,800	\$3,420
Total estimated monthly cost		\$33,555	\$26,202	\$29,642	\$30,567
Estimated Monthly Savings			\$7,353	\$3,913	\$2,988
Estimated Percentage Savings			22%	12%	9%
Carrier Deductible/Max OOP		\$750/ \$7,550	\$6,800/ \$7,700	\$6,500/ \$7,750	\$6,300/ \$7,900
Employee's Share of Costs: **					
Individual Deductible		\$750	\$750	\$750	\$750
Family Deductible		\$1,500	\$1,500	\$1,500	\$1,500
Max OOP Individual		\$7,550	\$2,320	\$2,400	\$2,770
Max OOP Family		\$15,100	\$4,640	\$4,800	\$5,540
Office Copay		\$30/\$50	\$30/\$50	\$30/\$50	\$30/\$50
In/Outpatient Surgery		20% (after ded)	20% (after \$750 ded)	20% (after \$750 ded)	20% (after \$750 ded)
Lab/X-Ray		\$30/\$50	\$30/\$50	\$30/\$50	\$30/\$50
Advanced Imaging		20% (after ded)	20% (after \$750 ded)	20% (after \$750 ded)	20% (after \$750 ded)
Rx Generic		\$10	\$10	\$10	\$10
Rx Brand		\$30 after \$200	\$30 after \$200	\$30 after \$200	\$30 after \$200

* Claims estimate was determined based on the groups benefit level.

** See carrier document for full details

Enrollment Process & Information Needs

A typical enrollment process occurs when an employer group purchases an RHS product.

- There is a contractual agreement between the Employer and RHS that can be terminated at any time with a 30 day written notice.
- An RHS employer application, closing document and W9 are completed and signed.
- Once the employer specifies the benefits, RHS produces a Summary of Benefits describing the benefit plan in detail.
- A copy of the insurance carrier enrollment form will provide all the necessary information for our RHS enrollment process.
- Once the enrollment documents are submitted, and payment is received, cards are mailed to each enrollee in the group (the Carrier card and the RHS card) along with a chart that illustrates how to use each card.
- A copy of the Summary of Benefits is provided to each employee with an explanation of how to access the benefits and how the cards work.

Funding Requirements

Once the employer agrees to implement Basic Plus, a trust account for the claims reserve is opened in the employer's name (a completed W-9 form is required from the employer).


The trust account is set up to meet IRS specifications for a Section 105 Health Reimbursement Arrangement (HRA).

The claims reserve account will be funded for the first three months based on the prior plan's premium. The monthly claim reserve amount is calculated by the difference of the prior plan's premium and the sum of the Carrier premium and RHS administration fees. These monthly contributions will be used to pay the claims that arrive from medical providers.

The monthly bank reconciliations will be posted on the RHS secured website for employer access.

Claims Administration

The Redwood Health Services **Basic Plus** card provides the necessary information for the medical provider to send a claim and primary insurance explanation of benefits (EOB) to RHS for payment. Once the claim and primary EOB are received from the medical provider, RHS processes it based on the carrier contract with the provider, or CFMC, if Basic Plus is primary.

		BASIC Plus SECONDARY PAYOR	
Member:		ID:	
Group #:		Effective Date:	
Group Name:			
Office Visit Copay:			
Medical	Dental	Vision	
ID#:			
Group #: G00A			
Bin: 000000			
Brand Copay:			
Claims: 800-548-7677 Redwood Health Services 3510 Unocal Pl, Ste 105 Santa Rosa, CA 95403-0917			

The member is responsible for any copay requirements and will receive an explanation of benefits (EOB) from RHS following each claim processed.



Benefit Plan

SAMPLE



Redwood Health Services

ABC Company Summary of Benefits

Effective date: September 1, 2013

Your Carrier health plan pays most of your in-network eligible medical expenses **after** you reach a calendar-year deductible (\$2,000 per individual **or** \$4,000 per family). Refer to your Carrier Summary of Benefits for more details.

Your employer provides funds from a Health Reimbursement Account (HRA) to help pay for your Carrier deductibles and out-of-pocket. The table below shows how much your employer pays and how much you are responsible for as a member of the health plan.

Major Carrier Plan	Employer Benefit	Member Responsibility
Calendar-Year Deductible		
Individual plan (\$2,000) – in-network only	\$1,500	\$500
Family plan (\$4,000) – in-network only	\$3,000	\$1,000
Calendar-Year Out of Pocket Maximum		
Individual plan (\$3,000) – in-network only	\$2,000	\$1,000
Family plan (\$6,000) – in-network only	\$4,000	\$2,000
Copay		
Office visits	100% after copay	\$15
Diagnostic X-ray & Lab*	100% after copay	\$15
Advanced Imaging*	100% after copay	\$50
Prescription Drugs – Express Scripts		
Brand name drugs without generic equivalent **	\$5,000	\$45
RHS		
Vision – member reimbursement	\$250	Balance

NOTE: Carrier “Per Occurrence Deductible” is not member responsibility. Refer to Carrier Benefit Summary.

* Only payable if performed in an office or a freestanding facility.

** Covered are Single source brand name drugs that do not have a generic equivalent. Multi source brand name drugs are not covered.

Payment Process

Your health plan includes two cards: a **Carrier identification card** and a **RHS identification card**. Always carry both cards with you.

- Always present **both** cards to your health care provider with your Carrier card as primary and your RHS card as supplemental.

Questions? Call RHS Customer Service at 800-548-7677, Option 2.

Benefit Plan

SAMPLE

SAMPLE OPTION 1

Plus Coverage

CFMC Foundation Network

Services	In-Network Copay	Out-of-Network Copay [4]	Calendar Year Benefit Limit [5]
Annual Deductible		Benefit	Responsibility
Physical, occupational, and speech therapy [6]	\$20	\$40	\$1,000
Chiropractic care	\$20	\$40	\$500
Allergy testing, serum, and injections	\$20	\$40	\$500
Outpatient mental health	\$20	\$40	\$1,000
Durable medical equipment	20%	40%	\$500

Employer Designed

Monthly Reports

RHS posts nine monthly reports to a secure website for the employer to view claims activity and trust account balances. Below is a sample of one of these reports.

ABC Company
December-10

SAMPLE

2015 Claims Summary Report by Month of Service

Service	Dollars Paid											Monthly	YTD
	Dental	DME	Drugs	ER	Inpat	Lab	Other	Outpatient	Phys Svcs	Rad	Vision		
Jan-10	\$ 127	\$ 10	\$ 813			\$ 30	\$ 150	\$ 990	\$ 1,976	\$ 42		\$ 4,139	\$ 4,139
Feb-10	\$ 127					\$ 148	\$ 22		\$ 953	\$ 32		\$ 1,283	\$ 5,422
Mar-10	\$ 127						\$ 337		\$ 500	\$ 126		\$ 1,090	\$ 6,512
Apr-10	\$ 118	\$ 405				\$ 125		\$ 1,860	\$ 186	\$ 57		\$ 2,751	\$ 9,263
May-10		\$ 43				\$ 121	\$ 246		\$ 314			\$ 724	\$ 9,987
Jun-10		\$ 43				\$ 24	\$ 23		\$ 652	\$ 890		\$ 1,632	\$ 11,619
Jul-10						\$ 199	\$ 28		\$ 452			\$ 679	\$ 12,298
Aug-10		\$ 287	\$ 82			\$ 10			\$ 790	\$ 105		\$ 1,273	\$ 13,572
Sep-10		\$ 43							\$ 189			\$ 232	\$ 13,803
Oct-10		\$ 56				\$ 106						\$ 162	\$ 13,966
Nov-10		\$ 165				\$ 30		\$ 549	\$ 401			\$ 1,146	\$ 15,111
Dec-10		\$ 0				\$ 331			\$ 314			\$ 645	\$ 15,756
% of Total \$	0%	3%	7%	6%	0%	7%	5%	22%	43%	8%	0%	\$ 15,756	
Avg PMPM	\$ -	\$ 1.98	\$ 4.18	\$ 3.55	\$ -	\$ 4.46	\$ 3.19	\$ 13.49	\$ 26.70	\$ 4.97	\$ -	\$ 62.53	

RHS Website

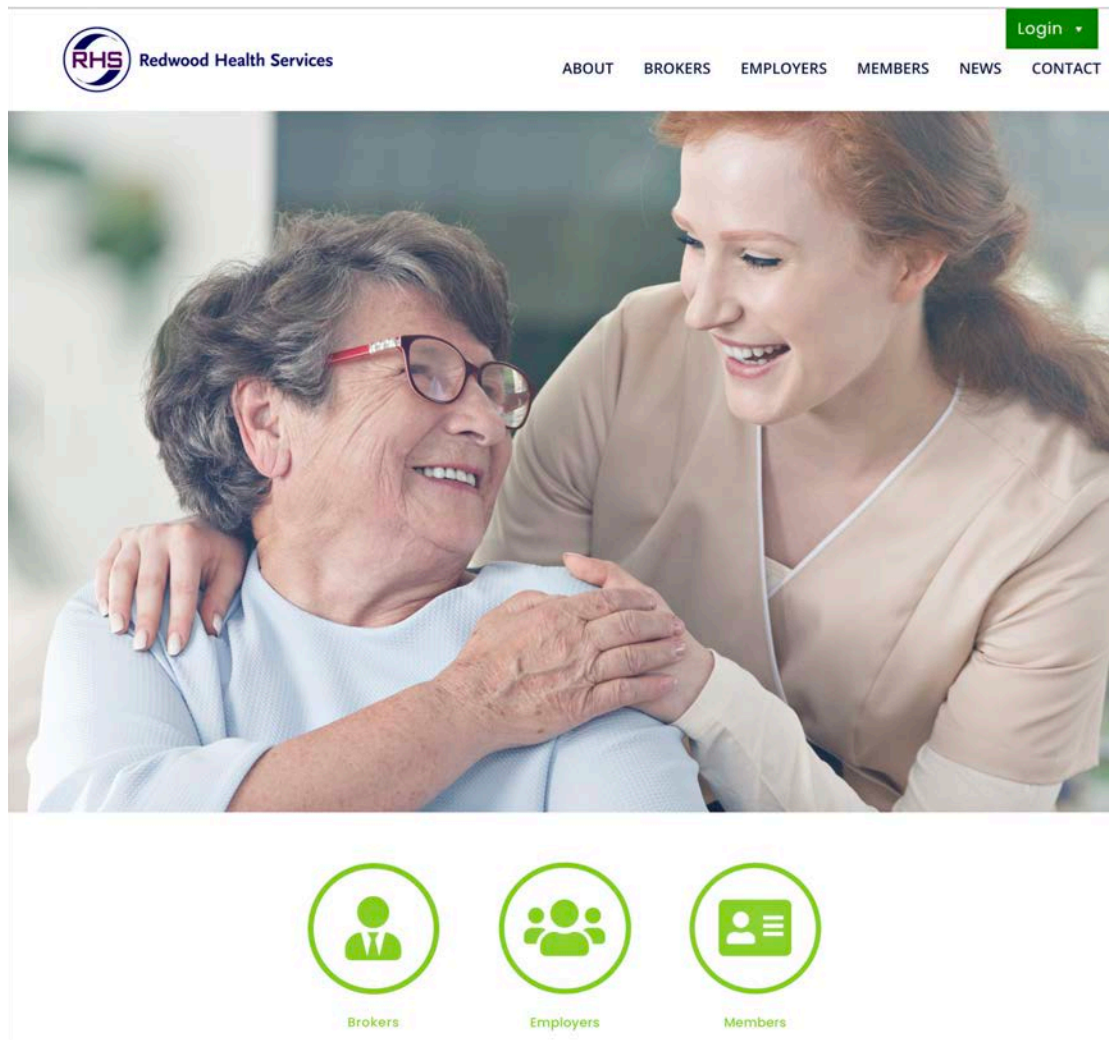
The RHS website provides broker, employer, and member access to financial information, reports, and forms to assist their management of RHS products.

Using a secure, streamlined digital platform, brokers can view our products and services or manage client information, employers can access group reports, trust accounts and forms, and members can examine benefits card balance, benefits, and print temporary ID cards.

Other website features include:

- Responsive design for access across mobile and desktop devices
- Convenient access to forms to request enrollment, change of status, reimbursement, and more.
- Updates on regulations regarding the Affordable Care Act, IRS vehicles such as HRA's, FSA's, etc.
- RHS news blog includes helpful tools and expert advice to empower consumer choice and education in the changing world of healthcare.

Please review our website and let us know if there are other features you would like to see.



RHS Benefits Card

With one swipe of the card, employees can automatically deduct medical, dental and vision expenses from their FSA or HRA accounts. No more receipts to photocopy ... no more forms to complete ... no more faxes or letters to send.

Because it's "smart," the RHS benefits card can recognize the difference between qualified medical, dental or vision expenses—such as doctor visits or prescription drugs—and non-qualified expenses. It can also be used for copays and insurance deductibles.



The card ties into an online management system that lets employers and their employees view their FSA or HRA accounts and track their expenses.

Our benefits card makes money-saving FSA and HRA plans from RHS easier than ever to establish and maintain. With the RHS benefits card there is no need for a secondary card.

Trust Account Report

Available on our secure website, Trust Account reports are provided to our clients on a monthly basis. The Trust Account report shows the deposit and withdrawal activity for payment and claims purposes and also reflects the current balance in the Trust.



Redwood Health Services

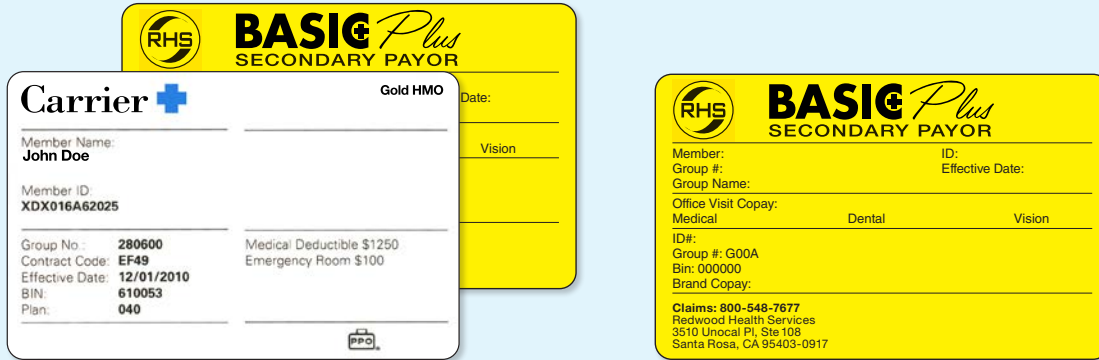
Jun-14 Bank Account Reconciliation Sheet

SAMPLE

DATE	AMOUNT BILLED	AMOUNT PAID	AMOUNT DUE/ (OWED)	TRF FOR PLAN COST	TRF FOR CLAIMS	INTEREST RECVD	CLAIMS ACCT BALANCE
1/01/11-12/31/11	714275.95	714275.95		603139.67	103838.39		7297.89
0/00/12-12/31/12	158236.17	158236.17		137184.38	20261.68		790.11
0/00/13-12/31/13	184193.67	184193.67		167549.20	16163.86		480.61
Jan-14	17532.28	17532.28		16959.00	186.89		386.39
Feb-14	17621.31	17621.31		16959.00	945.42		283.11-
Mar-14	17145.89	17145.89		16959.00	223.51		36.62-
Apr-14	17181.42	17181.42		16236.00	1806.68		861.26-
May-14	15150.51	15150.51		14927.00	292.25		68.74-
Jun-14	18409.68	18409.68		16603.00	926.46		880.22
ACCOUNT BALANCES	1159746.88	1159746.88		1006516.25	144645.14		8585.49

How Your Cards Work Together

Because you have two types of coverage, you receive two **identification cards**: one from the Insurance Carrier and one from Basic Plus through Redwood Health Services. Always present **both** cards to your health care provider who will determine appropriate billing to your Primary Carrier, Basic Plus, or both.



Major Medical Services

- Hospital inpatient facility services
- Hospital inpatient professional services
- Hospital outpatient services
- Outpatient professional services
- Ambulatory surgical centers
- Surgical procedures
- Emergency care
- Ambulance
- Skilled nursing facility
- Home health care
- Inpatient mental health
- Infusion therapy
- Infertility services
- Office visits
- Diagnostic X-ray & Lab
- Advanced Imaging
- HealthyCheck screenings
- Physical exams/preventive care
- Well-baby immunizations
- Adult screening tests
- Acupuncture/acupressure
- Hospice
- Generic Prescription Drugs

HRA Covered Services

- Physical, occupational, and speech therapy
- Chiropractic care
- Allergy testing, serum, and injections
- Outpatient mental health
- Family planning
- Durable medical equipment
- Dental
- Brand Name Drugs (through Express Scripts Only)

SAMPLE

Frequently Asked Questions:

Why do I have two ID cards?

Because Basic Plus gives you two types of coverage, you get two ID cards: one from the major medical **Carrier** and one from **RHS**. The card used to access RHS services is called **Basic Plus**. Always present **both** cards to your health care provider.

Why are there two provider networks?

Because RHS gives you two types of coverage, you have two provider networks. To choose providers for your **Basic** coverage, visit the **Carrier** provider online directory. To choose providers for your **Plus** coverage, visit the **California Foundation for Medical Care (CFMC)** provider directory at www.cfmnet.org.

What is an EOB?

After you visit a provider, you will receive an **Explanation of Benefits (EOB)** from the Carrier or RHS. The EOB simply shows how much the Carrier or RHS paid for your claim, and how much, if any, you owe to the provider of service (such as a copay); **an EOB is not a bill**.

What should I do if I receive a bill from a provider?

Check to see if the amount matches what the RHS EOB shows you owe and if so, pay the provider. If not, contact RHS Customer Service. Some or all of the bill may be covered by the HRA.

How can I obtain the balance of my benefits card?

The balance for your benefits card can be obtained by logging into the Benefits Card login on the Members page of the rhs.org website and following the instructions.

What should I do if I lose my benefits card?

If you lose your benefits card you need to contact Redwood Health Services.

What should I do if I lose the Basic Plus card?

To avoid an interruption in services, if you lose your Basic Plus (yellow) card you can print a temporary card by following instructions on the website after logging in. Later you can request a new permanent card by contacting RHS customer service at 800-548-7677.

What should I do if I lose the Carrier card?

If you lose your Carrier card you need to contact the Carrier's customer support for a replacement. You may or may not be able to print a temporary card.



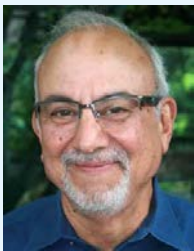
How can I contact RHS Customer Service?

You can: **Call 800-548-7677, option 2,**
or e-mail rhscustomerservice@rhs.org

Contact Redwood Health Services

Corporate Headquarters

3510 Unocal Pl. #108
Santa Rosa, CA 95403
Toll-free: 800-548-7677
Fax: 707-525-4270



Sales and Administration

John Nacol, CPA, CEO
License: OD88299
Phone: 707-525-4370
Fax: 707-525-4270
jnacol@rhs.org



Director of Claims

Sandy Sylvers
Phone: 707-525-4209
Fax: 707-525-4223
ssylvers@rhs.org



Finance

Ron Burton
Phone: 707-525-4269
Fax: 707-525-4398
rburton@rhs.org

Customer Service

Toll-Free: 800-548-7677, option 2
Local: 707-544-2010, option 2
rhscustomerservice@rhs.org
Fax: 707-525-4311



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