



Next Generation HSA™

For Groups of 2-50 Employees

Next Generation HSA

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There's a Revolution in Group Health Insurance

There's a revolutionary new way of thinking about health insurance—it's called Consumer Choice, and it's designed to help people make the right choices for their own health care. The idea is simple—you choose and pay for only what you need, keeping costs at the lowest possible levels.

Next Generation HSA is designed for groups and is part of a suite of consumer-choice products from American Community. It's a qualified high-deductible PPO health plan that can be used with a Health Savings Account (HSA). Beyond the catastrophic coverage everyone needs, Next Generation HSA sets a new standard for HSA plans—it also offers the choice and value everyone wants.

What Sets Next Generation HSA Apart From Other HSA Plans?

All qualified high deductible health plans provide health insurance that can be used with a special savings account—the HSA—to help people cover their deductibles and pay their share of medical expenses with tax-free funds. What sets Next Generation HSA apart from the others is greater choice and more value for the consumer. This PPO/HSA plan comes complete with the best HSA fund administration around and some cool tools, including personalized advocacy support, that help people make the best health care decisions for themselves and their families—all at no additional cost.

For Employee Groups



The Health Plan: Revolutionary Protection and Revolutionary Choices

Protection and flexibility define Next Generation HSA. Along with standard doctor and hospital benefits, the plan includes an accident benefit—we'll even waive the deductible and provide immediate coverage for the first 30 days following an injury. Next Generation HSA also offers flexibility with a choice of 7 PPO plan designs.

The standard deductible is “common family” (the family must meet a deductible before any family member begins receiving benefits), which re-sets at the beginning of each benefit period. But Next Generation HSA offers other deductible arrangements:

- ✓ Single “Embedded” Deductible within a Family Deductible (optional)—a family member begins receiving benefits after reaching his or her single

“embedded” deductible instead of waiting to reach the common family deductible (for optional “embedded” deductibles beginning at \$5,450*).

** This amount may be adjusted annually for changes in the U.S. Consumer Price Index (CPI).*

- ✓ Benefit Period Deductible (optional)—the deductible re-sets on the anniversary of the group's policy effective date rather than at the beginning of the next calendar year, giving employees a full 12 months to fund their HSAs. Add-ons during the policy year, however, do not get the full 12 months to fund. Add-ons may fund only from the date added through the remainder of the policy year.

Other plan options include prescription drug coverage, preventive care, dental and vision, life and AD&D, weekly income and dependent life.

About the HSA Fund



Helpful and Hassle-Free HSA Fund Administration and Support: A Revolutionary Approach

The real value of Next Generation HSA is a fund administration and support package that's unlike any other. The best part? It's included! It's also seamless, integrated, immediate and personalized:

Included—no set-up fees, no monthly administration fees, no transaction fees.

Seamless—claims can be paid directly to providers from the HSA, or insureds can use a debit card—it's your call.

Integrated—claims and fund information are available in one spot, online.

Immediate—online and telephone tools for immediate medical assistance to help you make the best health care decisions for you and your family.

Personalized—at your option, you can call a personalized advocate who will tell you about cost-saving opportunities and help you find providers and resources specific to your needs.

Flexible protection, HSA fund administration that's included, and medical support at your fingertips. Next Generation HSA for employee groups—the revolution is here!

How Your HSA Works

Employees who are covered by Next Generation HSA can make contributions to their HSA on a pre-tax basis. Employers also can contribute on behalf of their employees. Annual contributions can total the lesser of 100% of the health plan deductible or the IRS maximum—\$2,700 per individual and \$5,450 per family (adjusted annually for changes in the U.S. Consumer Price Index).

Employees can use money from their HSA as needed to pay for covered medical expenses to satisfy their deductibles. After that, their insurance coverage pays at the selected network/non-network benefit levels. Along with the deductible, employees can also use their tax-free HSA funds to pay for qualified medical expenses that are not covered by Next Generation HSA. Go to www.irs.gov for a complete list of these expenses.

How Your HSA Saves

Because Next Generation HSA is a qualified high-deductible health plan, you pay lower premiums. Let's look at some examples:

Traditional Health Plan	Single	Couple	Parent	Family
<i>Figures are based on a \$500 deductible (2x family); 90%/70% Coinsurance</i>				
Employee Lives (Group of 26)	14	3	2	7
A. Monthly Premium Rate	\$138	\$280	\$275	\$418
B. Total Monthly Premium	\$1,932	\$840	\$550	\$2,926
Total Monthly Employer Contribution (75% of B)	\$1,449	\$630	\$413	\$2,195
HSA Employee Contribution	n/a	n/a	n/a	n/a
Employee Monthly Premium (25% of A)	\$35	\$70	\$69	\$105
Total Monthly Employee Contribution	\$490	\$210	\$138	\$735

Qualified High-Deductible Health Plan with HSA	Single	Couple	Parent	Family
<i>Figures are based on a \$2,700 Single Deductible/\$5,450 Family; 100%/70% Coinsurance</i>				
Employee Lives (Group of 26)	14	3	2	7
A. Monthly Premium Rate	\$94	\$235	\$188	\$329
B. Total Monthly Premium				
<i>Lower cost to employer — an annual premium reduction of 25%</i>	\$1,316	\$705	\$376	\$2,303
Total Monthly Employer Contribution (100% of B)				
<i>Employer pays greater percentage of premium, but cost is lower.</i>	\$1,316	\$705	\$376	\$2,303
HSA Employee Contribution*				
<i>Instead of paying part of the premium, employees contribute that amount to their HSAs.</i>	\$24	\$59	\$47	\$82
Employee Monthly Premium	\$0	\$0	\$0	\$0
Total Monthly HSA Employee Contribution	\$336	\$177	\$94	\$574

These figures are used for illustrative purposes. Exact premiums and cost of coverage may vary. This example assumes that no medical expenses are incurred.

About the HSA Fund



Financial Advantages for the Employee

- ✓ Deposits to the account are 100% tax deductible.
- ✓ Interest accrues on the money in the account tax-deferred.
- ✓ Withdrawals from the account used to pay for qualified medical expenses are tax-free.
- ✓ Any funds that are left over at the end of the year remain in the account, where they can accumulate interest tax-free, year after year. Since employees own their own account, the account goes with them should they move on to a different employer—or they may continue the account as an individual HSA.

Financial Advantages for the Employer

- ✓ Employers pay lower premiums for the qualified high-deductible plan.
- ✓ Employer contributions to employee HSAs are not subject to FICA taxes.

Requirements and Eligibility

- ✓ Participants must be enrolled in a qualified high-deductible health insurance plan, like Next Generation HSA, and not be covered under any other health insurance providing similar benefits.
- ✓ The plan must have a deductible of at least \$1,050 for individuals and \$2,100 for families.
- ✓ Participants cannot be enrolled in Medicare.
- ✓ The HSA owner cannot be claimed as a dependent on another person's tax return.

About the Health Plan



Your Preferred Provider Organization (PPO)

A Preferred Provider Organization (PPO) gives participants the freedom to choose their own physician or hospital. They can minimize their share of the healthcare costs by seeking medical services from physicians and hospitals that have contracted with the network.

If their physician or hospital is not a member of the network, they share in more of the costs of their medical expenses. Each participant's primary PPO network is shown on the front of their medical ID card.

In addition, participants can receive the same network level of benefits when traveling outside their policy-issue state, through a coordinated program with a nationwide preferred provider network.

There is no additional fee for this value-added benefit and a toll-free number is provided on the back of each participant's medical ID card to help them locate network providers within the continental United States.

Network

Network refers to the group of hospitals and physicians that contract with us to provide healthcare services to policy participants at discounted fees. For a list of available providers, visit our website, www.american-community.com — and click on “Provider Locator.”

Deductible

The deductible is the amount of covered charges an individual or family must incur in a 12-month benefit period before the plan begins to pay benefits.

Coinsurance

This is the set percentage of costs you pay for health care after your deductible is met. For example, after your deductible is met, you might pay 20% of your health care expenses while your plan pays the remaining 80%.

About the Health Plan

Plan Highlights

There are seven PPO plan designs to choose from. Here are the plan highlights.

Plan 1	
Available with common family deductible only	\$1,500 (Single) \$3,000 (Family) 90/70

Plan 2	
Available with common family deductible only	\$1,500 (Single) \$3,000 (Family) 80/60

Plan 3	
Available with common family or embedded deductible	* \$2,700 (Single) \$5,450 (Family) 100/70

Plan 4	
Available with common family or embedded deductible	* \$2,700 (Single) \$5,450 (Family) 90/60

Plan 5	
Available with common family or embedded deductible	\$3,500 (Single) \$7,000 (Family) 100/70

Plan 6	
Available with common family or embedded deductible	\$3,500 (Single) \$7,000 (Family) 90/60

Plan 7	
Available with common family or embedded deductible	\$5,000 (Single) /\$10,000 (Family) 100/70

**This amount available in 2006. Will adjust annually to the HSA funding limit as established by the Treasury.*

All plans are available with common family deductible. Plan 3, 4, 5, 6 and 7 are available with an optional embedded deductible.

Groups will have the option to choose Benefit Period (plan year) or Calendar Year deductibles. (See page 9 for an explanation of the Benefit Period Deductible).

Covered Expenses

- Allergy testing
- Ambulance
- Chemotherapy
- Durable medical equipment
- Emergency room
- Home healthcare
- Hospice care
- Hospital Charges
- Intensive care
- Mammograms
- Miscellaneous tests, services, and medical supplies
- Nursing care
- Organ transplants
- Oxygen, blood, and plasma
- Physician visits
- Prescription drugs
- Preventive care
- Radiation treatment
- Second surgical opinions
- Semi-private room
- Skilled nursing facilities
- Speech, physical and occupational therapy
- Surgery and anesthesia
- X-rays and lab tests

Please refer to your state-specific benefit chart for more details.

Key Plan Features



Accident Benefit

With Next Generation HSA's accident benefit, employees and their families have immediate coverage for an injured family member.

- The deductible is waived for covered services for the first 30 days following an accidental injury.
- Covered charges are paid at the selected network benefit percentage.

Mental Health Benefit

Included on groups with 2 to 14 employees; optional to groups of 15 or more employees. Coverage is subject to deductible and benefit percentage. Please see the state-specific benefit chart for details.

Substance Abuse Benefit

Includes treatment for both alcohol and substance abuse. Coverage is subject to deductible and benefit percentage. Please see the state-specific benefit chart for details.

Maternity Benefit

Automatically included for all groups and paid as any other covered condition. Coverage is subject to deductible and benefit percentage.

Transplant Benefit

The maximum lifetime transplant benefit is \$1 million when performed in a designated transplant facility and includes \$10,000 for travel or lodging expenses for the insured and one companion (meals and lodging are limited to \$150 per person per day). The maximum lifetime transplant benefit is \$150,000 when performed in a non-designated transplant facility. A designated transplant facility is a medical facility with a proven, exceptional success rate for organ transplants that has agreed to provide approved transplant services to our insureds. Anti-rejection prescription drugs are a covered benefit included in the lifetime maximum. All transplant procedures require prior approval from American Community.

Family Security Benefit

If an insured employee's insurance ends because he or she dies, the medical insurance benefits of any insured dependents will be continued for six (6) months without payment of premium. This benefit only applies if the employer is not required to provide continuation of coverage under COBRA or under a state-mandated continuation of insurance provision.

Prescription Drug Discount Card

Next Generation HSA includes a discount card only. Additional prescription drug coverage is available; see Plan Options.

\$5 Million Lifetime Maximum

Your peace of mind is assured. Your Next Generation HSA provides total plan benefits up to a lifetime maximum of \$5 million.

Health Plan Options

Optional Embedded Deductible

For family deductibles of \$5,450* or higher, you can choose an “embedded” deductible. With this option, each family member begins receiving benefits at the network/non-network levels as appropriate once his/her single deductible has been reached. Once the family deductible has been met, all covered family members receive benefits at the network/non-network levels as appropriate.

**This amount may be adjusted annually for changes in the U.S. Consumer Price Index (CPI).*

Optional Benefit Period Deductible

With this arrangement, the deductible period runs for 12 months beginning with the group’s actual policy effective date. This allows employees to fully fund their annual deductible through their HSA account. With the traditional calendar year deductible, the deductible period begins and ends with the calendar year. But with the Benefit Period deductible, if the policy effective date is July 1, the plan year will run July 1 – June 30, allowing a full 12 months to fund the HSA.

Optional Preventive Care

Preventive care includes lab tests, immunizations, physical exams, pelvic exams and PAP smears, prostate exams, bone density tests, colonoscopy, inoculations or prophylactic drugs for travel. Benefits are payable to both network and non-network providers with a combined benefit period maximum benefit of \$500 per eligible person.

Two benefit options are available:

Option 1: Benefits are subject to deductible and network or non-network benefit percentage, based on the provider performing the services.

Option 2: First-dollar benefit: Services performed by a network provider are paid at 100% (not subject to deductible). Services performed by a non-network provider are subject to the non-network benefit percentage.

No Preventive Care coverage is available unless Option 1 or 2 is selected, except for state-mandated coverage. See the state-specific benefit chart for details.

Optional Prescription Drug Coverage

Option 1: Includes a discount prescription drug card. Benefits are subject to the deductible and are reimbursed at the network benefit percentage.

Option 2: Includes a discount prescription drug card. Benefits are subject to the deductible and are reimbursed at the non-network benefit percentage.

For prescription medicines obtained at a non-network pharmacy or at a network pharmacy without presenting your discount card, you must submit copies of the receipts to American Community for reimbursement. Once the non-network benefit period deductible has been met, eligible prescriptions will be covered at the non-network benefit percentage.

Optional 24-Hour Occupational Coverage

This option covers an employee’s medical expenses that result from a work-related injury. This benefit is available to owners, sole proprietors, partners, or corporate officers who are eligible for Worker’s Compensation coverage but have legally chosen to opt out. It is also available to individuals who are not eligible for Workers’ Compensation coverage. This benefit is not intended to replace or duplicate benefits that would have been provided by Worker’s Compensation.

Life and Accidental Death and Dismemberment (AD&D)

With American Community, employers are not only offering employees convenient medical coverage, they're also making it possible for them to protect and provide for family members when they can no longer do so.

Plan Options:

Flat Plan

Life and AD&D minimum amount is \$15,000. Amounts can be selected in \$5,000 increments.

Group Size	Plan Limit
2-24	\$15,000 – \$50,000
25-50	\$15,000 – \$75,000

Classed Plan

Up to 5 classes can be established — not to exceed 2½ times the next lower bracket. Plan maximums are the same as the flat plan.

Earnings Plan

1, 2, or 3 times earnings (rounded to the next highest \$1,000) with the same maximums as the flat plan.

AD&D (Principal Sum) benefit is equal to the life benefit and is 24-hour coverage. Life and AD&D benefits are available for employees age 65 and older at reduced amounts:

For groups with 2 to 19 employees, Life and AD&D reduces by 33⅓% at 65 and terminates at age 70 or retirement, whichever comes first.

For groups with 20 or more employees, coverage reduces 33⅓% of the original amount at age 65, plus a 33⅓% reduction to the reduced amount at age 70, plus a 33⅓% reduction to the reduced amount at age 75. Coverage terminates at retirement. All amounts are rounded to the next \$1,000.

Optional Dependent Life

Provides life insurance coverage to dependents as follows:

Spouse Benefit	
Under Age 40	\$7,500
Age 40 to 50	\$5,000
Age 51 to 55	\$3,500
Age 56 and over	\$2,500
Child Benefit	
Birth to 6 months	\$1,000
6 months to 19 years	\$5,000

If selected by the employer, all employees with dependents must enroll, even if medical coverage is waived.

Weekly Income

Employees need a way to protect their income and to help provide for their families while totally disabled and recovering from an accident or illness. The weekly income option provides the income protection employees need. If selected by the employer, all eligible employees must enroll.

Plan Options:

Flat Plan

\$100 to \$700 per week up to a maximum of 65% of income (in \$10 increments)

Classed Plan

Same classes as the Life and AD&D

Classes selected by the employer (\$700 per-week maximum)

Percent of Earnings Plan

65% (\$700 per-week maximum)

Waiting Period Options

1st day accident; 8th day sickness

8th day accident; 8th day sickness

15th day accident; 15th day sickness

Benefit Duration Options

13 weeks or 26 weeks

Dental and Vision Options

Optional Dental Coverage

American Community offers affordable, comprehensive dental coverage for employees and their families. Whether it's a simple checkup or complicated oral surgery, our plans provide superior coverage.

A one-year waiting period applies to major and orthodontic procedures. This waiting period will be waived for initial enrollees if this plan is replacing a group dental plan that included major or orthodontic benefits. The insured individual is responsible for the deductible amounts, his/her portion of the co-insurance, and charges in excess of usual, customary and reasonable.

Diagnostic and Preventive — office visits, cleanings, x-rays, fluoride treatments, sealants, space maintainers, oral exams, and lab tests.

Basic — fillings, root canals (endodontics), extractions, including surgical extractions of teeth.

Major — restorative and prosthodontics including crowns, full or partial dentures, bridges, inlays, onlays and maintenance of bridges and crowns.

Orthodontics (optional) — for dependent children to age 19. Treatment and procedures for the correction of malposed teeth including diagnostic procedures, fixed or removable appliances and full-banded treatment.

	Plan 1	Plan 2	Plan 3	Plan 4
Preventive Services				
Deductible	\$0	\$0	\$0	\$0
Coverage	100%	80%	80%	50%
Basic Procedures				
Deductible	\$50	\$50	\$50	\$50
Coverage	80%	80%	50%	50%
Major Procedures				
Deductible	\$0	\$0	\$0	\$0
Coverage	50%	50%	50%	50%
Plan Maximum	\$1,500 benefit period maximum		\$1,000 benefit period maximum	
Orthodontics (optional)				
Deductible	\$50	\$50	\$50	\$50
Coverage	50%	50%	50%	50%
Plan Maximum	\$1,000 or \$2,000 lifetime maximum			



Optional Vision Coverage

Eye Exam Plus is a basic plan automatically included with PPO medical coverage unless one of the full-service vision benefits is purchased. Eye Exam Plus is not available in all states.

Eye Exam Plus pays for services at a VSP member doctor only. Two optional enhanced plans are also available. Copayments apply when using member doctors. A reimbursement schedule applies when using a non-member doctor.

Eye Exam Plus Benefit*

- \$10 copay per exam; one exam every 12 months.
- 20% discount on eyeglasses and 15% discount on the physician services when contact lenses are purchased.

Enhanced Plan A

- \$10 copay per exam; one exam every 12 months.
- \$25 copay for material.
- One set of lenses every 24 months. One pair of frames every 24 months.

Enhanced Plan B

- \$10 copay per exam; one exam every 12 months.
- \$15 copay for material.
- One set of lenses every 12 months; one pair of frames every 24 months.

* Not available in Missouri.

Cool Tools™ For Better Health

Setting the Precedent for Your Good Health

American Community believes informed consumers, and healthier consumers, can make better choices about their healthcare protection and their healthcare needs. So, with our consumer-choice plans, we provide the tools for healthier planning, healthier living and healthier cost-conscious decisions about your health protection usage. Cool Tools for better health. Cool Tools for greater control of your healthcare dollars. That's what we're calling them and that's what they are. Available to you at no extra premium.

TelaDoc™

Imagine calling a doctor from where you are sitting, anywhere in the world, 24 hours a day, 365 days a year. That's TelaDoc. Just pick up the phone and call. A network of licensed primary care physicians is available to diagnose your individual medical problems, recommend treatment and prescribe medication when appropriate over the phone.

TelaDoc is a great tool when you cannot reach your primary care physician, when it's after hours, when you're on vacation or a business trip, when you need a recurring prescription filled and can't get to your doctor's office, or when you need medical attention for a common condition: cold, sinus infection, allergy or similar condition. TelaDoc guarantees a physician will contact you within three hours. In most cases, your call is returned in 30-40 minutes. You will be billed \$35 for the cost of consultation.

World Doc™

World Doc is medical assistance on the web. This tool assists you with decision-making in the areas of health, wellness, prevention and clinical aspects of healthcare. The online Medical Library offers access to a Test & Treatments Section reflecting the latest accepted methods of managing specific conditions and illnesses. The site also provides health tips, information on disease prevention and a comprehensive medical care search feature.

24-Hour Nurseline

A team of licensed nurses is also available 24/7/365 by telephone or online to offer individual and confidential assistance on a personalized basis. They can help you with health decisions and answer questions about common symptoms and medications. They do not offer the in-depth consultation of TelaDoc. They cannot diagnose ailments. Nor can they prescribe medications. There is no charge for their consultation.

RXaminer™

Everything you ever wanted to know about medicines and prescription costs is available online. Research the latest drugs, their uses and side effects. Compare costs of various medications, brand names and generics. Locate convenient pharmacy providers.

Personal Health & Symptom Evaluator

A Cool Tool for personal diagnoses. Enter your symptoms. Evaluate your symptoms online. Get a quick diagnosis of possible causes and treatment.

Treatment Cost Calculator

An informative online tool designed to inform you about the total approximate costs of treating various illnesses, injuries and medical conditions.

Health Helpers

Health Helpers is a suite of health planning tools available online, designed to help you manage lifestyle, prevention, healthcare and healthcare dollars. Highlights include a calorie counter, hospital comparison charts and the newest treatment evaluations.

Information on registering for Cool Tools for better health usage, toll-free numbers and web addresses will be provided with your new American Community policy.

American Community We Set the Precedent in Service

Unprecedented Service is Part of the Plan

With beginnings dating back to 1938 and headquartered in Livonia, Michigan, American Community is one of the nation's oldest and most respected health insurance providers. Health insurance is what we do. Health insurance is all we do. We are known for innovation in health coverage and for the creation of products for the budget-conscious health insurance consumer like our new suite of leading-edge consumer-choice plans. We have become known for a lot more, as well:

Unprecedented Customer Service

The finest service in the health insurance industry is just a phone call away. Our knowledgeable and experienced staff of customer service representatives is on call Monday through Thursday, 8:00 a.m. to 6:00 p.m., Friday, 8:00 a.m. to 5:00 p.m., and Saturday, 8:00 a.m. to 2:00 p.m., EST, to answer any question you may have regarding coverage, billing or payment of claims. Contact information will be provided with your new American Community policy.

Unprecedented Payment of Claims

We are known for prompt payment of claims. In fact, over 80% of our claims are received electronically and processed within 10 business days of receipt. Isn't that why you are insured? You want protection against unforeseen accident or illness, and prompt payment of claims should medical expenses arise.

Your American Community Agent

Your American Community agent is an independent health insurance specialist. Health insurance is your agent's business. Dedication to the full, best interest of you, the client, is his or her specialty. You can count on this.

This booklet is intended to highlight certain provisions of the plan described. It is not a contract, an insurance policy or a summary plan description booklet. Please see the policy for complete details, terms, conditions and full provisions of coverage.





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