



Health Max PlusPlan

Agent Guide to Guaranteed Issue Health Insurance:

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Introduction

The purpose of this guide is to introduce you to a family of guaranteed issue products and the enormous market waiting for them. It will describe guaranteed issue health insurance plans that you can offer in all 50 states. These plans are unique and have been designed to provide value above and beyond anything in the marketplace.

You can offer your clients guaranteed issue plans with physician and prescription co-pays regardless of their current medical conditions. These are HIPAA qualified plans and count as credible coverage. To those of you who are new to the business, that simply means that this is “real” insurance.

II. The Plan – Outline of Benefits (Health MaxPlus plan as example)

The following chart highlights the benefits for this specific plan. We do have other designs available.

<i>Benefit</i>	<i>AIM HealthMax Plus</i>
Physician Office Visits	7 Visits at \$100/visit (no family limit)
Wellness Test	1 per person/per year at \$150
Lab & Diagnostic Days	5 Days at \$400/ Per Day
First Day Hospital Benefit	\$2,000 Extra benefit each time hospitalized
Daily Hospital Benefit	\$1,000/day (100 days) , \$2,000/ICU (15 days)
Surgical Benefit Anesthesia	100% Medicare Reimbursement(No Yearly Limit) 25% of Surgeons Pay out
PPO Network	MultiPlan and PHCS
Optional Drug Card	\$10/generic with a maximum of \$1,500/year
Rx Mail Order (Included)	AIM Rx Card
Optional AIM-Xtra Rider	\$500/day(31 days), \$1,000/day ICU (31 days) \$25,000 Critical Illness (for both adults)
Diamond Monthly Premium	Rider Monthly Premium
	Rx Card AIM Xtra
Individual: \$349	\$12 \$88
Husband & Wife: \$645	\$18 \$155.50
Individual + Children: \$575	\$26 \$175
Family: \$842.00	

III. 30 Second Indemnity Primer

Just in case you are not 100% up to date on this type of plan, here is a very brief summary.

This is an indemnity or defined benefit plan. Each type of medical expense has a fixed reimbursement rate. If the insured submits a valid bill for the expense, they will be paid the full indemnity amount regardless of how much they paid for the service. If the third party administrator pays the doctor, the bill is paid to the plan limits. They do not receive the difference.

The plan has an excellent PPO network. The insured is entitled to use the network for all medical expenses. The network will re-price the service even after the benefits are used up. For example, if the plan offers payment for 7 physician visits, the 8th visit will not be reimbursed, but

it will still be re-priced.

The benefit resets each plan year. (the Insured's plan year)

IV. Eligibility

This part is simple. The plan has no medical underwriting at all. Both the primary & Spouse applicants must be between 19 and 64 years of age.

V. They Do Not Believe You – When You Tell them they are Not Insurable

If you sell health insurance, you no doubt have come across a number of individuals who cannot qualify for a traditional major medical plan. Your available options to help this individual, and save the sale were always limited. Essentially, you might have tried one of the following:

1. Sell them a discount plan with a small amount of indemnity coverage. In your heart you knew that it was inadequate but it was all you could offer them.
2. Sometimes, you were able to give them a temporary health insurance plan. Temporary plans often have underwriting guidelines that are a bit more lax. Also, when people lie on the applications, they are never found out unless they actually try to use the insurance. But, this is not a real answer to the client's problem. Most uninsurable individuals will not qualify for these plans anyway.
3. If you were in a benevolent mood, you could write a HIPAA application if they were eligible. But, you would be essentially doing it for free. Also, the plans are very expensive and the costs go up a lot each year. After a few years, it becomes unaffordable and they are calling you again.

The fact is, most of you politely offer your regrets and send them on their way. So, you lose out in a number of ways beyond the obvious.

First of all, if you had a decent product for this individual, there would have been a sale and a commission.

Secondly, if there were other family members, a lot of them pick them selves up and go to the next agent on their list. Even though the rest of the family might have been healthy candidates, you lose the sale. You have not solved their problem and they are determined to find someone who can. Or, in my experience, they often think that someone else will insure them and you just do not have the products or the knowledge. **In other words, they do not believe you when you tell them that they cannot possibly obtain health insurance.**

Finally, the client and/or the family represent a sales opportunity for other products that they would qualify for. We have written life policies and long term care insurance, not to mention other financial products for individuals who could not obtain standard health insurance.

Most agents tell us that if they had a good guaranteed issue health plan, they could have sold it many times over. Let's move on and identify the target markets.

VI. Guaranteed Issue – Not Only For the Sick

The title of this section might appear odd. However, there are a number of other uses for these high level indemnity plans. I will give you a short annotated list. The list is by no means complete and most of you could add another dozen on your own.

1. **Medically Declined** – This is of course the most obvious category. The number of individuals who cannot get health insurance due to a pre-existing condition or obesity is beyond measure. If you sell health insurance, you speak to someone like this all the time.
2. **Coverage for Pre-existing Conditions** – Sometimes we would get a call from someone who could qualify for health insurance but their pre-existing condition(s) were going to be ridered or permanently excluded from the plan. In this case, if they have had 12 months of credible coverage, you can give them coverage for this condition from day one. Remember, these are HIPAA qualified plans, real insurance, and must follow HIPAA rules. If they have not had coverage, at least you could promise coverage after 12 months. Plus, these plans can be written in conjunction with a traditional major medical plan. We will get into this later on when we discuss “stacking”.
3. **HIPAA or COBRA Candidates** – It is not unusual for one of our agents to get a call from a client who says “I cannot afford \$1,000 a month for the guaranteed plan I was offered.”
4. **Maternity Coverage** – The cost of the plan is too high to make it worthwhile as a maternity supplement. However, if an individual wanted a health insurance plan that would cover maternity expenses the same as any other illness, these plans would work.
5. **No Medical History or Incomplete History** – Some individuals refuse to have physicals, have medical histories with incomplete documentation, need to complete tests that were never performed, used physicians outside the United States, etc. They can all be covered.
6. **Low-Cost Group Plans** – These plans may be offered to groups of any size. This includes 1099 or independent contractor employees. Plus, a self-employed individual can pay for the plan with a company check. This makes their accountants very happy. We will cover groups in a separate section.
7. **Occupational Exclusions** – Although, it is less common nowadays, there are individuals who cannot get health insurance due to an occupational exclusion.

What the Plans Offer – You'll Be Surprised (in a good way)

Rather than just hit you in the face with a list of benefits, I want to describe them one at a time. This way, you will understand how they work and will be able to explain them to your clients.

We have designed plans for many different companies. This is our specialty. Over the years, we have learned a lot about what works and what doesn't. The goal for this plan was to offer enough value to the insured so that they would get some use out of the plan each year. By using the plan and getting something back, there is an enhanced perception of value. Consequently, the plan becomes much easier to sell and the client holds on to the plan for a much longer period of time.

VII. PPO Network

Everything is pivotal on a good network. We use MultiPlan. After their recent acquisition of PHCS, the network is now huge. Plus, we have found that in certain areas, they own smaller regional networks and the coverage area is much larger than you would expect.

The network feature works like this:

1. The insured may call the network to locate a provider or use the simple online director.
2. At the visit, they present their card to the provider.
3. The provider files the claim as they would any other health insurance plan.

Remember, the insured can use Multiplan, PHCS or one of their regional networks.

VIII. Physician Co-pays

The plans will pay up to \$100 for an office visit with up to 7 visits per year. This is not for a well visit (checkup), which is covered elsewhere. Using the PPO, \$100 should easily cover any primary physician and 90% of most specialists' visits. While we are working to convert this benefit into a true co-pay, it is not clear whether that would benefit the insured. For example:

Scenario #1 - Alice goes to her doctor because she has a sore throat. She tells her doctor, who is part of the Multiplan Network that she would rather pay cash and put the claim in herself. The doctor agrees and she pays \$50 cash for the visit. Alice submits a claim for the visit and is paid the full \$100 indemnity amount.

Scenario #2 - Alice goes to her doctor because she has a sore throat. She hands her card to the office administrator and has her visit. The office sends the bill to the plan administrator for payment. They see that the doctor has a PPO negotiated rate for the visit of \$65. They send a check to the doctor for \$65 and Alice owes nothing.

What you need to make clear to the prospect is that they will have the office fee for seven visits per year covered in full or almost in full (a specialist might be \$10 to \$50 more). This is better than most major medical plans where the insured is paying a co-pay for all visits.

This benefit can be used to pay for chiropractic visits. That means over \$700 a year in chiropractic reimbursement. For most practitioners, your clients can just go for one visit per month, fully paid.

Now, add this to a well Test and labs and you will find chiropractors handing out our card to their non-insured patients. In most states, that means just about everybody.

IX. Well Testing

The plan will pay up to \$150 per year for a well Test. This is for the physician's fee only and anything performed in the office. This is about the same as the typical major medical plan. Remember, the insured is paid the full indemnity amount for a test. So, a blood test that costs \$100, is still paid out to the insured at \$150.

Preventative Care Benefit: We will pay the Preventive Care Test Benefit, shown on the Certificate Schedule, if any Covered Person incurs charges for and has one of only the following Preventive Care Tests listed below performed:

- Blood test for triglycerides
- Bone marrow testing
- Breast ultrasound
- CA 15-3 (blood test for breast cancer)
- CA 125 (blood test for ovarian cancer)
- CEA (blood test for colon cancer)
- Chest X-ray
- Colonoscopy or virtual colonoscopy
- Eye exam performed by a licensed optometrist or ophthalmologist
- Fasting blood glucose test
- Flexible sigmoidoscopy
- Hemocult stool analysis
- Mammography
- PSA (blood test for prostate cancer)
- Pap smear or Thin Prep Pap Test
- Serum Protein Electrophoresis (blood test for myeloma)
- Stress test on a bicycle or treadmill

X. Diagnostic Lab and X-rays

The indemnity amount for a lab & Imaging visit is \$400 per Day for up to 5 Days per year. That amount should cover just about any diagnostic blood test, x-ray, MRI, Cat Scan, etc. Plus, based on PPO rates, it will cover a good portion of other major testing procedures.

There are two ways you can approach lab reimbursements; the easy way and the hard way.

The easy way is to let the third party administrator handle the claim. The insured just goes and has their test done, which gets re-priced and then paid. However, if the re-priced rate is \$50, the lab gets \$50, the insured does not get the remaining \$100. But again, it is simple to tell the client that 3 lab visits per year are covered. For most, it is enough.

The hard way involves a third-party company. They have a web site and an 800 number. The insured pays a one time fee of \$18 and afterward, all tests are ordered by this company. You pay with credit card or check when you schedule the test. They use LabCorp for all testing and CareIQ for MRI and Cad Scans.

The advantage is that the insured could pocket a sizable amount of money after a few tests. Also, the rates are excellent and approach and often exceed the PPO re-priced rates.

I will leave it up to you. Call me if this sounds confusing. I will have more information available in the future.

XI. Prescription Rider (Rider includes both)

For Generic Drugs:

The plan offers an optional drug card that allows the insured Walk-In and pay \$10 for most generic drugs. The Insurance will pay out up to \$1500 per year per person. This will pay for a lot of generic prescriptions. Remember, this is an insured drug card and not a discount plan.

For Brand Name Drugs: “AIM Rx Card” the Best Brand Name Mail Order Program available. Brand name prescriptions are discounted at about 48% for 200 of the most commonly prescribed Drugs.(Those 200 Drugs make up for more than 93% of all medications prescribed in the United States). We also discount the non formulary Generic Drugs (40% to 60%). See below for an example: AIM Top 20 Medications prescribed: These are conservative Savings. The savings will be greater (5%-10%) when comparing AIM prices to Walk – In Pharmacy prices(Chain-Stores)

Medication	Strength	3 Month Average Price	3 Month AIM Price	Savings \$	Savings %
Actonel	35 mg	\$ 259.90	\$ 181.68	\$ 78.22	30.10%
Advair Diskus	50/250ug	\$ 555.95	\$ 202.00	\$ 353.95	63.67%
Celebrex	200 mg	\$ 325.78	\$ 147.71	\$ 178.07	54.66%
Clarinet	5 mg	\$ 292.91	\$ 137.32	\$ 155.59	53.12%
Crestor	10 mg	\$ 275.96	\$ 204.33	\$ 71.63	25.96%
Effexor XR	150 mg	\$ 355.97	\$ 205.35	\$ 150.62	42.31%
Evista	60 mg	\$ 269.96	\$ 226.68	\$ 43.28	16.03%

Flomax	0.4 mg	\$ 233.98	\$ 128.35	\$ 105.63	45.14%
Fosamax	70 mg	\$ 239.96	\$ 160.99	\$ 78.97	32.91%
Lamictal	100 mg	\$ 386.98	\$ 246.45	\$ 140.53	36.31%
Lexapro	10 mg	\$ 228.97	\$ 151.85	\$ 77.12	33.68%
Tricor	145mg	\$ 299.96	\$ 169.57	\$ 130.39	43.47%
Lipitor	20 mg	\$ 321.97	\$ 182.02	\$ 139.95	43.47%
Nasacort Aq	55ug	\$ 257.94	\$ 122.00	\$ 135.94	52.70%
Nexium	20 mg	\$ 430.97	\$ 138.75	\$ 292.22	67.81%
Premarin	.625 mg	\$ 123.97	\$ 43.37	\$ 80.60	65.02%
Prevacid	30 mg	\$ 453.64	\$ 191.88	\$ 261.76	57.70%
Topamax	100mg	\$ 576.65	\$ 170.12	\$ 406.53	70.50%
Wellbutrin XL	150mg	\$ 367.97	\$ 101.81	\$ 266.16	72.33%
Zyrtec	10mg	\$ 215.97	\$ 85.53	\$ 130.44	60.40%

Stop Here for a Moment and Review

Remember I said that the key to selling these plans is the value proposition. You had to provide benefits that could be used in situations other than a hospitalization. Well you have. The insured can:

- Use the drug card for a prescription
- Go to the doctor when they are sick and pay nothing (or a very small fee)
- Have lab work done with little or no out of pocket costs
- Get an annual preventative with practically no out-of-pocket expense

This is not just a plan that you put on the shelf and forget about. It provides benefits for the most common things people use their health insurance for. The target audience for this plan will more than likely get use from it throughout the year.

XII. Hospital Benefits

This is where most plans of this nature fall apart. After all, what can you say to a client that asks you "What happens if something really big happens?" The fact is, if you need a coronary bypass or long term treatment for cancer, these plans will fall short.

Some agents lie or twist the truth. They will take a plan that pays \$1,000 a day for 100 days and tell you that you have \$100,000 of coverage. The chance of you spending 100 days in the hospital is slim. If you did, you would most likely need some guaranteed issue final expense insurance. Most hospitalizations are less than a week with the majority of them lasting only a few days.

We tried to put as much "meat on the bones" as possible on this plan. I think we did a fairly good job. There are ways of enhancing benefits and I will discuss that in another section of this guide.

The surgical benefit pays 100% of Medicare reimbursement rates for surgery and 20% of that amount for anesthesia. This is for inpatient or outpatient surgery. There are no limits on this benefit.

If you have looked at surgical schedules on indemnity plans before, you would realize that this is very generous.

XIII. HIPAA Qualified

What distinguishes our plans from all the others in the marketplace is the HIPAA qualification. These plans qualify as credible coverage. They must conform to all rules for HIPAA. This means that if the prospect has had credible coverage prior to purchasing this plan, all pre-existing conditions are covered.

Many individuals are forced out of HIPAA and COBRA plans because they cannot afford them. Now, they can transition to this plan with coverage for all prior conditions.

If a prospect anticipates obtaining group coverage in the future, they will have preserved their continuous coverage status until they are ready to switch.

XIV. Is This Enough Coverage?

When you look at the whole package, you realize that in many instances the plan has better coverage than a traditional major medical plan. When you sell a \$5,000 deductible 80/20 plan, the insured is often putting out \$7500 or more for a hospitalization.

I try to remind my client what we are talking about. They sometimes need to be grounded in the discussion. I explain that "If I could offer you a traditional major medical plan with co-pays and \$5 million in coverage, I would. But, you and I know that is impossible. So, we are trying to find you substantial coverage for a reasonable price." What more could you say.

XV. Kicking it Up a Notch – Enhanced Benefits

Let's examine a few ways we can take the indemnity benefits higher without spending too much money. We need a way to convert those individuals who look at the plan and worry that there will not be enough coverage. In other words, we want to enhance the value proposition.

- **Stacking**

This term refers to taking another indemnity plan and adding the benefits to our primary plan. The added benefit could be another indemnity plan from a different carrier, a disability plan, accident plan, critical illness or life insurance.

- **Additional Indemnity**

We have a few different indemnity plans from other carriers. These are completely guaranteed issue. By adding one of these plans, the insured can increase their hospital coverage by \$500 per day and ICU coverage by up to \$1,000. Now, the combined benefit for a hospital is ***\$1,500 per day for a regular bed and \$3,000 per day for intensive care.***

We are approaching and in many cases exceeding the quality of benefit found in traditional major medical. By the way, the cost to add this benefit is as little as \$50 per month.

- **Critical Illness Plans**

To keep costs down, we only added \$2,500 critical illness benefit to this plan.

However, we have the AIM Xtra Rider that offers **Guarantee Issue \$25,000** critical illness plan.. But the insured can purchase more if thru medical underwriting, the maximum limit goes up to \$75,000. You can easily see how this would cover the cost of the “big stuff” that so many people worry about.

- **Optional Accident Plans**

An accident plan will pay you for an accident or injury that is treated in a doctor's office ,emergency room, or Hospital. They are relatively inexpensive and will pay the insured up to \$5,000 or \$10,000 for expenses.

XVI. As a Group Plan – Low Cost Group Health Insurance

Our indemnity plans can be written for a group of any size. However, if you have a group or association that is more than just a few employees, we can work with you to bring the cost down. We have more plan designs than we care to think about. When dealing with a legitimate group, we have additional options that are not available to us on an individual basis.

When you use an indemnity plan as a group product:

- You are not bound to strict participation rules.
- The employer is free to pay any percentage of the premium that they wish.
- Family coverage is less expensive than traditional group plans
- Older employees are the same low cost as young employees
- There are no gender differences or age-banding
- Maternity is covered
- Chiropractors are covered
- The plan can be used in all 50 states
- There are no medical Riders put on the insured's pre-existing conditions
- There are no Rate –Ups because of pre-existing conditions
- There are no network restrictions
- The plan counts as credible coverage for future plans (HIPAA Qualified)
- You can use a Section 125 plan
- Rates stay relatively steady (AIM averages 1 increase every 24 Months)

You can put a group plan into effect in as little as two weeks.

I will tell you that you could go to some of the major group carriers and create a group mini-med plan. However, you will be tied to participation rules, contribution requirements and, most importantly, you will make low group commissions. I just do not know how to say it any other way – you will make much more money using our indemnity plans for a low cost group plan.

If you have a group or association, give us a call. We have additional plan designs, brochures, etc. We have done this many times before.

XVII. A Good Maternity Plan – 12 Month Waiting Period

This plan will cover maternity the same as any other illness. The few major medical plans that still have maternity generally enforce a minimum 12 month waiting period before the insured can become pregnant. Look at the advantages to using this plan for someone interested in maternity coverage.

1. 12 waiting period. They can become pregnant 3 months after taking the plan.
2. You do not have to purchase a special rider. It is part of the plan.

3. If the insured had complicated pregnancies in the past, it will still be covered. With other plans, they will not be able to get coverage if they had prior complications.
4. They can go to any doctor or hospital or use the PPO network.

So, how much can they get paid for maternity? Well, let me break it down for you.

7 office visits at \$100 each = \$700

1 Well test at \$150 = \$150

5 Diagnostic Test at \$400 = \$2000

Medicare reimbursement for Maternity is about \$900 (I am guessing here but it is low)

2-3 days in the hospital for a normal delivery = \$4000-\$5000

This is approximately \$7750 - \$8750 in maternity reimbursement. This is a fair amount and will pay for about two thirds of a complete normal delivery when re-priced through the PPO network. If the Birth is a difficult delivery our plan will pay more. 7 days in the hospital (2 of which are ICU) the plan would pay \$12750.

Golden Rule, a United HealthCare company, charges about \$110 a month extra for a maternity rider that covers a maximum of \$4,000 (no matter what type of delivery). In addition, they also make the insured wait 12 months before they can become pregnant. They cannot add the rider on at a later time. It must be taken from day one. Our plan is clearly superior.

P.S. For c-sections, private major medical plans will not even sell a maternity rider. The hospital stay is about 4 days and the reimbursement is about \$8,000. Again, using the PPO discounts, it is less out of pocket expense than even most group health insurance plans.

XVIII. Non-Citizens with No Social Security Number

We frequently get requests from non-citizens with a variety of visas. Some individuals have been here for years; while others are relatively new (some inquiries are from overseas).

This is a great market because, to be blunt, they do not have a whole lot of choice. You can write this business, as long as they are here legally, with or without social security numbers. They do not have to establish themselves with a local physician or jump through any of the hoops other plans throw at them. Of course, there will be a wait of 12 months for pre-existing conditions.

XIX. Chiropractic

I mentioned it earlier but it is worth mentioning again. The plan will pay up to \$700 a year towards chiropractic treatment. Plus, they can also utilize the testing benefit at \$150 per test. To top it all off, the visits are re-priced through the PPO if you want. But, they will be better off paying cash and submitting their claims on their own. I imagine that the plan would cover the cost of 10 to 15 visits when the claims are properly submitted.

XX. Don't Forget Dental

All of our plans come with discounted access to either Aetna or Cigna PPO networks. This plan uses the Aetna network for dental re-pricing.

We have "real" dental insurance available as an option if a client wants it. As a matter of fact, we have an excellent insured product that will pay the client directly. By combining the insured dental plan with the Aetna network, they will have a dental plan as good as anything you will find in the group market.

XXI. What's Next?

Call us to get contracted; we don't charge any appointment fees. If you are licensed in any state, you can offer the plan nationally.

We will let you register on the AIM web site. This will instantly create a web page specifically for you. (it will have all you pertinent information) ...Most importantly your Agent Code and name will be embedded on the electronic application, guaranteeing you that you will get credit for the submission and receive your commission. Once registered you can log into the web site and View-Print all your web enrolled applications. As an AIM agent you will also receive an email with a copy of an application when a customer enrolls using your personal link.

If you have a current web site just use one of our free links (with your personal link code) to link from your site to the AIM site....or put your link code in an email to a prospect (not as fancy, but works the same)

All this sounds confusing and difficult ...but it's not...call us we will walk you thru the process

Contact Information:

Phone :
Fax :
E Mail :