PLANselect Benefits Decision-Support Tool
Frequently Asked Questions

Q: Where can I test and learn more about how PLANselect works?
A. Please click link below to take PLANselect for a test run and view the overview video. You can run multiple scenarios, toggle between English and Spanish versions with one click (video, too) and test the optional, built-in HSA calculator, *HSAdvantage,* on the results page to help employees determine HSA-contribution amounts.
Click here to learn more and access the demo: https://flimp.me/IntroducingPLANselectExample

Q: How do the PLANselect tool and associated algorithms work?
A: PLANselect utilizes multiple algorithms functioning as one. Overall, it's a percentile-of-use model using four questions. The first question asks who will be covered and for the user's zip code to customize cost projections based on geographic region. The second question is a general propensity-to-consume-services question with a five-tiered response. The final two questions ask about specific planned medical events and medical conditions; the user simply checks all the boxes that apply. PLANselect calculates a precise and predictive percentile-of-use assignment, anticipating future medical needs more accurately than models relying solely on Rx data, office visit frequency, etc. It also accounts for episodic costs, including labs, scans, supplies, etc., unlike most calculator models.

To derive the distribution of claimants and assign user percentiles, PLANselect uses publicly available actuarial-continuance tables published by Federal Actuarial Value Calculator (A/V). The A/V calculator is published by CMS to calculate plan-versus-consumer pay estimates for every ACA plan option to ensure compliance and to assign a metal designation (e.g., gold or silver). The Federal A/V Calculator utilizes the Blue Health Intelligence (BHI) claim database (~195 million claimants) as a primary source.

The PLANselect model then translates the user's responses into expected medical-services usage across 27 types of services to break down the total cost of a medical episode or event into subsets of services, like office visits, labs, tests, prescriptions, surgeries, etc. This process is enhanced by using normative employer-group claims data (and years of consulting experience and modeling) that enables us to translate the episodes into expected claims by type of service.

Finally, the expected-claims utilization is simulated through each of the available plan designs to estimate out-of-pocket cost for each plan. The expected OOP cost, employee share of premium, employer fund contributions and other value considerations (e.g., absence of out-of-network coverage, relatively high OOP max) are weighted in deriving a final value score for each option.

Q: Who uses PLANselect?
A: Any company or organization committed to a healthcare-consumerism strategy, cost-transparency tools, employee education, incentives, and health and wellness initiatives that offers more than one health plan option and has or is introducing a high-deductible health plan (HDHP) with a health savings account (HSA) option. This includes:
- **Employers:** 100 to 100,000+ benefits-eligible employees across the US and geographic regions—salaried and hourly, union and nonunion, and newly hired employees
- **Employee benefits brokers and consultants**: firms that provide employers with comprehensive benefits and HR communication solutions may find PLANselect to be an inexpensive and straightforward tool that supports its employer clients' benefit objectives.
- **Professional employer organizations (PEOs):** provide small group clients with cost-effective, outsourced human resource services by assuming certain employer rights, responsibilities and risks

- **Benefit administrative/HR/enrollment platforms:** (also see: *How does PLANselect work with an employer's enrollment system?*) provide benefits administration solution for HR departments. Solutions include benefits enrollment, carrier reporting and billing management, 401(k) record keeping and administration, pension plans and more. These solutions are tailored to each organization's needs and simplify processes while ensuring accountability.

Q: What are the best user/case applications for PLANselect?
A: PLANselect provides the greatest value to employers when modifying or adding benefits plan options for employees. It is particularly valuable enrolling employees into new or existing HDHP options with tax-exempt HSAs.

Q: What percentage of employees use PLANselect when available?
A: We typically see 50-70% of employees using PLANselect when offered. When a Flimp digital postcard email campaign is used to introduce it to employees, usage is on the high end of the range. It can work for any industry with highest engagement coming from education, technology and professional employers.

Q: Do both salaried and hourly employees use and see the value of PLANselect?
A: We have seen success when PLANselect is used for both salaried and hourly employees and across several states and geographic regions. It is difficult to turn on any switch and engage all, or even most, employees in the first year of implementing any new help tool. Getting salaried employees into the optimal plans saves considerable money in lower medical costs and saves time and money over lengthy in-person or virtual meetings to explain plan options.

Furthermore, we found that PLANselect's mobile-friendly and easy-to-understand interface: (1) drives engagement and use of the tool and (2) is highly attractive to employees who share their benefit plan options with spouses and other decision makers outside the office environment.

Q: Is PLANselect only for open enrollment? Can I use it for new hires throughout the year?
A. Once set up, PLANselect remains available throughout the plan year (24/7/365) for new hires or for employees that experience a qualifying event that changes their coverage needs. While most employers start use of PLANselect at open enrollment, mid-year implementation can be valuable as a pilot and for diagnostic testing of anticipated model results that can shape future plan configurations. Please contact us for more details and pricing options for a "short-year," pre-open enrollment implementation.

Q: How long do employees have access to PLANselect?
A: PLANselect is licensed annually for a plan year and the employer website is available through the year (24/7/365). Assuming an employer licenses and uses it for multiple years, users will be able to toggle between plan years.

This means the coming plan year will be set as the default as of the open enrollment period. For example, if an employer has a new plan year starting January 1 and employees enroll in October, it is possible that a new employee will need the current-year site for initial enrollment and all employees will use the new site for the next year's enrollment.

Q: What does the PLANselect set-up process entail and how long does it take?
A: For the employer or broker, the set-up process is very easy and straightforward. The employer or broker simply provides Flimp with benefit plan and coverage summary information, premium contributions by the employer for

each plan and any FSA or HSA contributions. For the branded-website setup, we need a company logo, brand colors and optional text for the welcome page. We do all the implementation work on behalf of the client, which usually takes 2-3 days to complete after benefits plan details are received.

Q: How much branding and customization is possible within the PLANselect website?
A: The messaging on the welcome landing page and at the end of the results section is completely customizable, as are the employer branding color (bars and buttons) and logo.

Q: Can a PLANselect website include broker branding?
A: Yes. Broker branding can be added.

Q: Is PLANselect available in other languages besides English?
A: Yes. To view the Spanish-language version, the viewer simply chooses Spanish from the drop-down menu at the top of the first page and continues all in Spanish.

Q: Can PLANselect websites be password protected or accessed directly by employees?
A: Yes. Access can be set up to require a password or send the employee directly into the site.

Q: Is the PLANselect website mobile friendly?
A: Yes. Employer sites are mobile responsive for access via smartphones and tablets.

Q: How does PLANselect work with the employer's existing enrollment system?
A: The employer can utilize any enrollment system or platform (including paper) with PLANselect. Typically, the PLANselect direct link can be added to an HRIS, payroll or other enrollment system adjacent to the health plan selection section. The employee simply clicks on the link, a new window opens to use PLANselect, and the employee returns to the enrollment system to record their decision.

Q: How many plan options can PLANselect accommodate?
A: PLANselect can accommodate an unlimited number of plan options. The results page will highlight up to three plans at a glance, with the opportunity to see additional plan results on subsequent pages.

Q: Can PLANselect handle multiple salary bands for employee contributions?
A: PLANselect works well for subsets of employees with unique payroll deductions and/or plans offered. Typically, each subset has a unique, direct-access link. For employers with multiple subsets, a navigation page can be created to allow employees to select the appropriate site (e.g., office location, salary band).

Q: Are any of the PLANselect questions customizable? For example, one response refers to "seeing a doctor for difficulty getting pregnant," but what if the employer doesn't cover advanced infertility treatments and doesn't want that as a choice?
A: We adjust questions routinely based on user input, so consultant and employer input are welcomed. It is not possible to adjust questions for each employer because of the way the algorithms function, the need to keep the user experience brief, and to keep our fees low. The questions are designed to cover the range of possible medical services needed, and tie directly to the algorithm's normative data sources, as well as the 27 categories of benefit design that are inputted for each plan option.

Frequently, there is a purpose to a question or response that may not be evident to many people. For example, most plans do not cover or have very limited infertility benefits. The "seeing a doctor for difficulty getting pregnant" response is less about the actual infertility coverage and more about the tests and expenses leading to an infertility diagnosis, as well as the probability of certain claims after treatment.

Q: Can I customize any of the anticipated "events," "medical visits," "x-rays," "lab visits," or "conditions" options that the employee chooses in PLANselect before arriving at the benefits plans results page?
A: No. The questions are designed to be both comprehensive medically and easy for users. The response categories are specifically tied to the PLANselect scientific algorithms and normative claims utilization data that comprehensively cover the organ systems (with a few carefully considered exceptions). The questions and responses are consistent with the content of a traditional underwriting questionnaire. Most employees will check no or few boxes on the events and conditions questions, but a small percentage will have affirmative responses that are critical to capture.

With regard to the infertility example, while many employers do not cover in vitro or other infertility treatments, many employees will utilize screening, testing and other covered medical services related to an infertility diagnosis or related complications, often resulting in significant indirect covered expenses.

Request a copy of our comprehensive whitepaper about the PLANselect algorithms for more information.

Q: Tobacco surcharge: are there options for an employee to check "yes" or "no" to tobacco use? And, if "yes," can the tobacco surcharge be included in the total employee cost?
A: There are two ways to handle the surcharge:
1. **Preferred method:** update the custom text on both the initial landing and results pages to let employees know there is a tobacco surcharge and that they should add "$X" to their monthly or bi-monthly payroll deductions and add "$X" to the total plan cost. Assuming the penalties for tobacco use are consistent for each benefit plan option, PLANselect ranks plans relatively the same with and without tobacco use but the total cost for each will be different. These solutions work for most.
2. Create a second URL for tobacco users and embed it in the custom text on the base site landing and results pages. Example: "If you are a tobacco user, click www.xxxxxxxxx.com for…")

Q: I ran several PLANselect scenarios and there was never a situation where the HDHP was not the most attractive plan. Why? Does an employer contribution trump all else in the algorithm?
A: Employer contributions are one variable in the value scoring but they do not trump all else. Algorithm results are dependent on hundreds of plan variables, including employer's premium subsidy, a carrier's relative pricing and other factors. Importantly, PLANselect is completely confidential and unbiased. If an employer subsidizes one plan more than others, the model's results will reflect that imbalance. Our heatmap diagnostics tool, which covers a statistically valid number of possible response scenarios from low to higher users across each tier, is designed to help an employer identify likely employee outcomes and adjust subsidies or other variables as necessary.

Q: Do PLANselect algorithms provide the employee with the best coverage results? Best cost results? Best value?
A: PLANselect algorithms rank the plan options in terms of expected value, considering anticipated cost of medical services and non-quantitative value features. Cost calculations include the employee premiums, expected out-of-pocket costs for each plan available (based on the plan design coverage details and the employee's responses) and

any employer HSA contributions (see next question re: HSA contributions). The value score heavily considers cost, but also considers other features or requirements, such as referral requirements, out-of-network coverage and demand elasticity. Demand elasticity, in this context, means that employees with lower deductibles, copays and expected out-of-pocket expenses at the time of service are more likely to consume discretionary medical services than those with higher financial barriers. The value of this financial flexibility is an important value variable.

Q: Does PLANselect recommend an HSA-contribution amount?
A: PLANselect has a built-in HSA calculator, *HSAdvantage,* to help employees determine HSA-contribution amounts. It is intuitive and includes employer-contribution options. To access the HSA calculator, the viewer clicks the "Optimize Your HSA" button under each plan option on the "Your Results" page. The client chooses whether to add the HSA calculator to its PLANselect site and can turn it on or off anytime for each group. The HSA calculator is not available to clients who do not offer a qualifying high-deductible health plan (HDHP). There may be an added cost for the HSA calculator; please consult your Flimp Communications representative.

Q: Does PLANselect include animation or an avatar of some sort to walk viewers through the selection process?
A: No. PLANselect deliberately does not run an avatar or audio-visual assistance due to the workplace distraction that it creates. For employees, it takes 3-4 minutes to complete versus 30-40 minutes for avatar-calculator decision-tool products. (Many PLANselect users find it helpful to run multiple scenarios to test different outcomes.) Set-up time is 2-3 business days compared to 6-8 weeks for avatar-calculator products. Furthermore, assistance is not required because PLANselect uses a percentile-of-use-algorithm approach, which requires less employee data input and no personalized employee data.

Q: Do the PLANselect algorithms take into account different plan options and employer contributions offered to employees in different states or regional locations?
A: Yes. When we have employers with subsets of employees that have different payroll deductions and/or plan options (e.g., a local HMO) for different states or locations, we set up a unique PLANselect website for each group. The cost is $750 for each additional site.

For example, if the employer has several different combinations of plans or payroll deductions, employees would be directed to the appropriate PLANselect website by a unique direct-access or password-protected link. A navigation page is created to allow employees to select the appropriate subset (e.g., office location, salary band) and to be immediately redirected to their landing page. Since most employers now enroll employees electronically, the enrollment system will likely require employee usernames and passwords for security. Our direct-access link to each unique PLANselect site can be embedded in the user experience for each subset at the time the individual plan options and payroll amounts are set.

One reason we do it this way is to reinforce and ensure employee confidentiality. To direct each employee to the right payroll deductions and plan options is possible, but it involves employee identification/administration of usernames and passwords.

Q: For the algorithm, what does "Monte Carlo simulation" mean and how do you define "user responses are mapped to a percentile of use; empirical distributions augmented by Monte Carlo simulation"?
A: Algorithms incorporate question responses to project "percentile of use," defining the covered family as a relatively low user (e.g., 15th percentile) or high user (e.g., 85th percentile) or somewhere in between. To derive the

distribution of claimants and assign user percentiles, PLANselect uses the publicly available actuarial-continuance tables published by Federal Actuarial Value Calculator (A/V). The A/V calculator is published by CMS to calculate plan-versus-consumer-pay estimates for every ACA plan option to ensure compliance and to assign a metal designation (e.g., gold or silver). The Federal A/V Calculator uses the Blue Health Intelligence (BHI) claim database (~195 million claimants) as a primary source.

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Finally, Monte Carlo simulation is a statistical technique used to simulate events and predict the likelihood of specific outcomes, often involving numerous trials (e.g., rolling dice thousands of times). PLANselect uses simulation specifically to translate family-level responses into individual utilization of services, since deductibles and OOP maximums often apply to the individual within the family.

Q: Is PLANselect able to expand to include other lines of coverage such as critical illness, group accident, group hospital and voluntary products?
A: We are working on expanding our suite of decision-support tools. We are considering tools for other products, such as critical illness, dental, gap policies, group accident, group hospital, life insurance and others for 2018 because we see a shift in employee participation to consumer-driven/high-deductible products, which typically yields higher voluntary-product selection.

Our experience is that these products see increased participation when the health plan decision tool is utilized first as a byproduct of the typical shift from traditional coverage to lower-premium HDHP/HSA products. We anticipate these new tools can be straightforward, as a reminder-to-consider or a people-like-you-have-considered-these-products approach.