## ABOUT THE AFFILIATED PHYSICIANS AND EMPLOYERS HEALTH PLAN MEWA

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<td><strong>Plan Name</strong></td>
<td>The Affiliated Physicians &amp; Employers Health Plan (APEHP)</td>
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| **Plan Type**                    | • MEWA (Multiple Employer Welfare Arrangement)  
• Self Insured, ERISA Plan                                                                                                                                    |
| **State Requirements**           | The Affiliated Physicians & Master Trust is not an insurance company and does not participate in any guarantee funds created by NJ law.                                                                                     |
| **Plan Origination Date**        | January 1, 2004                                                                                                                                                                                                                |
| **MEWA Definition**              | A MEWA is an arrangement, recognized in both federal and state law; whereby multiple employers join together to self insure the welfare benefits of their employees.                                                      |
| **MEWA Plan Sponsors**           | Atlantic Health System, Saint Clare's Health System, Morris Area IPA, Vista IPA, Saint Clare's Physician Org, Mountainside IPA, Barnabas Health, Hackensack Medical & Dental Staff, Trinitas Medical Staff, St. Joseph's IPA, MSNJ, Robert Wood Johnson Health Network, EANJ (Employers Association of NJ) |
| **MEWA Sponsor Membership Dues** | If an employer is not eligible for the APEHP through the medical community they must become a member of EANJ. The EANJ membership dues are based on total number of employees. The Dues are on an annual basis with the minimum dues starting at $704 (up to 52 employees) with a maximum Dues of $2,732 (726 or more employees) go to www.eanj.org for more information. |
| **Plan Governance**              | Board of Trustees made up of Physicians, Hospital and Association Executives from the Sponsoring Entities. The APEHP Board is not compensated and are not employed by the APEHP Master Trust.                                          |
| **Plan Oversight/Regulations**   | • The APEHP is one of two (2) registered MEWA’s in the state of NJ  
• The APEHP Master Trust reports financials and plan information to the NJ Department of Banking and Insurance.  
• As part of the approval and regulatory process with the state, the Plan must maintain Mandatory Risk Based Capital Requirement relative to the minimum capital or surplus available to cover the short falls  
• The Department of Banking and Insurance is required by regulations to audit any MEWA on a 3 year cycle. The MEWA had its initial audit in 2008 and after the audit; the Department of Banking and Insurance changed its audit cycle to every 5 years. |
| **Stop Loss Coverage**           | Specific – Per Member is $100,000  
Aggregate – 125% of expected Claims                                                                                                                                                                                         |
| **Contingent Liability**         | This is a fully assessable benefit plan. In the event that the Affiliated Physicians and Employers Multiple Employer Trust is unable to pay its obligations, enrolled members of the association shall be required to contribute on a pro rata earned contribution basis the funds necessary to meet any unfilled obligations. The maximum liability a group will have is 25% of what the employer paid in health care fees for the specific plan year that is being assessed. |
| **5500 Forms**                   | The APEHP MEWA files one (1) 5500 form on behalf of the entire MEWA. Large groups do not have to file a separate 5500 Form if enrolled in the APEHP MEWA.                                                                             |
| **Third Party Administrator**    | QualCare, Inc.  
• Largest provider sponsored Managed Care Organization in NJ  
• In Business since 1992  
• Expansive New Jersey & Regional hospital and provider Network  
• Majority Owned by 16 non-profit hospitals and health care systems  
• Provides network access and TPA services to approximately 800,000 covered lives  
• QualCare employees over 700 employees |
# UNDERWRITING GUIDELINES/ELIGIBILITY REQUIREMENTS

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| Group Eligibility                    | • Employers related to the Medical Community, Accounting Firms, & EANJ Employer Groups  
• Employers with 2 or more Full Time Employees  
• Employer must be domiciled in NJ  
• At least 75% of the employees must Reside in NJ |
| Group Level - Minimum Participation Requirements | • 2 – 50 Eligible Employees – Requires 75% Participation  
• 51+ Eligible Employees – Requires 50% Participation |
| Participation Effective Date         | Groups/Members can only become effective on the 1st of any month                                                                                           |
| Participation Group Termination      | Groups/Members can only terminate on the last day of the month                                                                                             |
| Group Termination Notification       | With Written Notice of 60 Days or 15 Days from the end of the Renewal Contract period                                                                       |
| Employee Probationary Periods        | Default - 30 Days  
A group can elect up to a 90 day wait period                                                                                                               |
| Billing Information                  | • Payments’ Due the 1st of each month  
• Payments payable: APEHP  
• Payments can be made payable by check remittance or Direct Debit                                                                                       |
| Submission Dates                     | • New Groups – 15 Days prior to effective Date  
• Term Groups – 15 Days Prior to Renewal date or 60 Days prior to termination date  
• Plan Changes: Can only be made at Renewal                                                                                                               |
| Renewal Dates                        | • January 1st for Effective Dates – 1/1 through 3/1  
• April 1st for Effective Dates - 4/1 through 6/1  
• July 1st for Effective Dates – 7/1/ through 9/1  
• October for Effective Dates – 10/1 through 12/1  
(1st Year Rates could have a short rate period, with the shortest rate period being 10 months)                                                           |
| Rate Periods                         | • January 1st – December 31st  
• April 1st – May 31st  
• July 1st – June 30th  
• October 1st – September 30th                                                                                                                              |
| Quoting Procedures                   | All Quotes produced and sent by QualCare  
• Small Group: Estimated 2 – 4 Day Turnaround  
• Large Group: Estimated 5 - 7 Day Turnaround                                                                                                              |
| Rate Structure                       | • Age/Gender/Tier  
• Rates are set by 5 year age bands  
• Rates for an employee may increase during the year if an employee turns an age that ends in “0” or a “5”  
• Renewals are Experience Rated based on all enrolled groups/members in the APEHP  
• Small Group 2-50 – Billed Age/Gender/Tier. (Illustrative Rates can be used to calculate employer/employee contributions)  
• Large Group 51+ - Billed Based on the Composite Rate                                                                                                  |
| Broker Commission Structure          | • QualCare Pays a flat 5% commission for both new and renewal business  
• Commission Paid to 1 Entity (GA or Broker)  
• Broker responsibility to coordinate with GA as per the broker/GA agreement  
• BOR must be submitted with each New Group  
• BOR effective the 1st Day of a new Group  
• Brokers must complete and submit required paperwork:  
  ✓ Broker Agreement  
  ✓ W-9  
  ✓ Copy of Health Insurance License  
  ✓ Copy of E&O coverage  
• BOR takeover will only be effective on an existing group’s renewal date or 1/1, 4/1, 7/1 or 10/1 whichever comes first. |
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<td>Benefit Period/Plan Year</td>
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| Plan Offerings                               | • An employer can offer 1 or a combination of all Plan Designs  
• No minimum participation by Plan  
• Plan designs are static, Plans cannot be changed or revised                                                                                                      |
| Age 26 Dependant Coverage                    | Yes covered under the APEHP Plan                                                                                                                                                                                                 |
| Age 31 Coverage                               | Yes covered under the APEHP Plan  
• QualCare Administers  
• Small Group 2-50 – Member billed on Age/Gender/Tier +2%  
• Large Group 51+ - Member billed on a pre-calculated composite single rate +2%                                                                                   |
| Domestic Partner Coverage                    | Yes, Same Sex Domestic Partners Only (need 3 forms of documentation for validation)                                                                                      |
| Medicare Coordination                         | APEHP is Primary regardless of group size as the APEHP is an ERISA Plan                                                                                                   |
| NJ Continuation/ COBRA Admin.                | Yes QualCare administers under COBRA regulations  
• Small Group 2-50 – Member billed on Age/Gender/Tier +2%  
• Large Group 51+ - Member billed on the groups composite rates +2%                                                                                             |
| Emergency Coverage                            | Urgent and Emergent Care out of area is covered at the In-Network Benefit Level                                                                                         |
| Routine and Wellness                          | • Covered 100% at the In Network Level  
• Not a Covered Benefit at the Out of Network Level                                                                                                                     |
| DME, Home Health Care, Chiropractic and Routine Vision | Not a Covered Benefit at the Out of Network Level                                                                                                                                                       |
| Free Standing Surgery Center                 | Out Of Network Benefit - The Allowable Maximum is $1,000 per surgery. Deductible and Coinsurance applicable.                                                                                                     |
| Pre-Authorization                             | Member and/or the physician are responsible for pre-authorization for Network and Out-of Network services; otherwise a penalty of 50% to a maximum of $10,000 will be applied. Refer to SPD for complete pre-authorization list. |
| New Jersey Networks                          | QualCare, Inc – New Jersey  
• PPO – 34,323 Physicians & Ancillary Providers  
• POS – 31,380 Physicians & Ancillary Providers  
[www.qualcareinc.com](http://www.qualcareinc.com)  
1-888-670-8135  
• QualCare POS – Plan A, B, G, J, and K  
• QualCare PPO – Plan C, D, E, F, H, I, and L  
• QualCare Networks Include Hospitals & Providers:  
  • Memorial Sloan Kettering in NY  
  • CHOP, UPenn, Jefferson in PA  
  • Al DuPont Children’s Hospital in DE |
| Wrap Networks                                 | **Included in Base Rates:**  
National Wrap - First Health National  
[www.firsthealth.com](http://www.firsthealth.com)  
1-888-985-7774  
• First Health National PPO  
• Offered with All Plans (A, B, C, D, E, F, G, H, J, K & L)  
**Offered as a Rider – Additional 6% applied:**  
New York Wrap - Emblem/GHI  
[www.emblemhealth.com](http://www.emblemhealth.com)  
• Network Access PPO  
• Must be offered by employer but can be selected at employee level  
• Offered on Plans (A, B, D, E, F, G, H, I, J & L) |
| OON Provider Reimbursement                   | OON Reimbursements to all providers is based on the Plan’s Allowable Charges. Any Out - of – Network providers can balance bill the patient for any amounts in excess of the Plan’s Allowable Charges. The excess amount is considered a non-covered amount and does not accrue towards the Out – of – Pocket Max. |
## BENEFIT PLAN INFORMATION

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| **Deductibles**        | • Deductibles are embedded, meaning that after the 1st member hits the individual deductible level benefits will pay for that member. The 2nd portion of the deductible (Family Deductible) is then met by a combination of the remaining family members before benefits will pay.  
• In Network and Out of Networks Deductibles are combined  
• Deductibles are based on a calendar year 1/1 through 12/31                                                                                                                                                                                                                                     |
| **Maximum Out of Pocket** | • Plans A, B, D, E, F, G, H, I, J - Maximum Out of Pocket does not include deductible, copayments for medical and prescription, non covered amounts above the plans fee schedule or allowable charge or authorization penalties.  
• Plans C & K - Maximum out of Pocket does include deductible, copayments and out of pocket expenses but does not include non covered amounts above the plans fee schedule or allowable charge or authorization penalties.  
• Plans L - Maximum out of Pocket does include deductible and coinsurance but does not include copayments for medical and prescription, non covered amounts above the plans fee schedule or allowable charge or authorization penalties.                                                                                                                                 |
| **Prescription Plan**  | **Medco/Express Scripts**  
[www.medco.com](http://www.medco.com)  
1-800-818-6634  
**Pharmacy Programs:**  
• 30 Day Supply Only at Retail Pharmacy. 90 Day Supply must be filled via Mail Order.  
• RRA (Retail Refill Allowance)  
• PDST (Preferred Drug Step Therapy)  
• DAW 2 Rule (Dispense as Written)  
**Plan A, B, D, E, G, H, J:** Retail: $6/$25/$40  
Mail: $15/$62.50/$100. Plan I: No RX  
**Plan C:** Retail: $6/$25/$40, after ded  
Mail: $15/$62.50/$100, after ded  
**Plan F:** Retail: $20/$40/$70  
Mail: $50/$100/$175  
**Plan K:** Retail: Generic: - $15 copay after deductible / Brand - 50% copay after Deductible (Min of $25 /Max of $500)  
**Plan L:** Retail: Generic: $15 copay/ Brand - 50% copay after Deductible (Min of $25 /Max of $500)  
Mail: Generic: $37.50 copay / Brand - 50% copay (Min of $62.50 /Max of $1,250)                                                                                                                                                                        |
| **Dental Plan**        | **Delta Dental**  
[www.deltadental.com](http://www.deltadental.com)  
1-800-452-9310  
January Group #: 9106-0001  
July Group #: 9106-0002  
Benefit period 1/1 through 12/31  
• An Employer Can Elect either dental option  
**Guardian**  
• Guardian Value Plan  
• Guardian DHMO Plan (Must have PCD)  
[www.guardiananytime.com](http://www.guardiananytime.com)  
1-800-541-7846  
Group Number - NJ MEWA  
Benefit period 1/1 through 12/31  
• An Employer can offer both Guardian Plans                                                                                                                                                                                                                                                  |
| **Plan Contact Information** | Phone Number: 888-670-8135  
Fax Number: 732-465-7328  
New Business: [mewasales@qualcareinc.com](mailto:mewasales@qualcareinc.com)  
Existing Business: [mewaenrollment@qualcareinc.com](mailto:mewaenrollment@qualcareinc.com)  
Member Claim/Eligibility/ID Cards: [www.qualcareinc.com](http://www.qualcareinc.com)                                                                                                                                                   |
| **Claims/Appeals Mailing Address** | Affiliated Physicians and Employers Health Plan  
P.O. Box 219  
Piscataway, NJ 08855-0219                                                                                                                                                                                                                                                                       |