

Frequently Asked Questions for **FirstChoice** "**Guaranteed Issue**" Supplemental Health Insurance Benefits

1) **Q: *What is FirstChoice?***

A: First Choice is a package of Guaranteed Issue, Guaranteed Renewable, Supplemental Health Insurance benefits underwritten by Central United Life Insurance Company and marketed through independent licensees of BMC Agency, Inc.

2) **Q: *Who is eligible for "Guaranteed Issue?"***

A: Any primary insured between the ages of 18 -65, inclusive, who is gainfully employed outside the home and working an average of 30+ hours per week at the time of application. Spouses age 18-65 may be covered, regardless of their working status, as well as children. **ages**

3) **Q: *What do you mean by "Guaranteed Renewable?"***

A: Unlike most plans, **FirstChoice** is a guaranteed renewable policy, not a certificate of a group master policy. Once issued, the plan is Guaranteed Renewable to the first policy anniversary after attaining age 65, and 'conditionally renewable annually until the policy anniversary after age 70, so long as the policyholder remains at work 'full time, which we define as 30+ hours per week.

4) **Q: *Is FirstChoice a "qualified" plan under Healthcare Reform?***

A: NO! **FirstChoice** is not a Health Benefits Plan, and does not qualify under PPACA or HIPAA. No waiver is provided for applicants with a Certificate of Creditable Coverage from a prior plan, and none is offered after termination.

5) **Q: *What is a "Defined Benefit" plan?***

A: A Defined Benefit plan lists specific benefits that will be paid, regardless of the actual costs. There is no "up to" language in **FirstChoice** plans! **FirstChoice** will pay the stipulated amount, even if that amount exceeds the actual billed charges!

6) **Q: *How are Pre-Existing Conditions treated by FirstChoice?***

A: Conditions for which the insured sought or received treatment in the 12 month period prior to the plans effective date are considered to be pre-Existing Conditions, whether or not they are disclosed on the application. Pre-Existing conditions are not covered for 12 months, beginning with the policy effective date. Treatment includes prescription medication prescribed to treatment for the condition.

7) **Q: *Are there any Pre-X Medical Conditions that would make an otherwise qualified applicant ineligible for FirstChoice?***

A: NO, there are none! (If applying for the supplemental CANCER plan, there is one health eligibility question, but not for **FirstChoice** Supplemental Health or the supplemental ACCIDENT plan.)

8) Q: *Are there any Occupations that would make an otherwise qualified applicant ineligible for FirstChoice?*

A: NO, there are none! (If applying for the supplemental ACCIDENT plan, there is a list of INELIGIBLE OCCUPATIONS, but not for **FirstChoice** Supplemental Health or the supplemental CANCER plan.)

9) Q: *How are the benefits for Hospital Confinement calculated?*

A: Depending of the plan design selected, there can be as many as 4 separate benefits that could provide benefits in a particular hospital confinement. They are:

- a) The **DAILY ROOM BENEFIT**: All **FirstChoice** policies include some amount of DRB. This benefit pays for as many as 365 days per period of confinement, and is available for every covered insured.
- b) The **INDEMNITY DENEFIT**: All **FirstChoice** policies include some amount of Indemnity Benefit. This value is paid upon the very first day of hospital confinement in a calendar year, and is available for every covered insured.
- c) The **FIRST HOSPITAL CONFINEMENT BENEFIT**: All **FirstChoice** policies include some amount of FHC Benefit, either \$5,000 or \$10,000, paid out over the first six days of the first hospital confinement of a calendar year for each covered insured. Plans featuring the \$5,000 FHC benefit pay \$500 on the first day of the initial confinement, another \$500 on day two, and then the benefit doubles to \$1,000 on each of days 3, 4, 5, and 6. The GOLD and PLATINUM plan designs feature the \$10,000 FHC benefit, which pays exactly twice as much per day as the \$5,000 benefit described above, \$1,000 on days one and two, then \$2,000 on each of days 3,4,5, and 6. This benefit does not carry over from year to year if unused.
- d) The **HOSPITAL INJURY INDEMNITY BENEFIT**: In most states and in all plans except the HSA Supplement, the HII benefit increases the amount received per day in the hospital if and when the confinement is caused by an accident.

10) Q: *How does FirstChoice handle Intensive Care?*

A) Most **FirstChoice** pay a benefit for confinement in an Intensive Care Unit, up to 20 days per period of confinement. This benefit is paid IN ADDITION TO any and all other benefits for the hospital confinement mentioned above.

11) Q: *How does FirstChoice cover Surgery?*

A: Most **FirstChoice** plans feature a Surgical Schedule, which lists the benefits that will be provided for various surgical Procedures. These surgical benefits are provided for both INPATIENT as well as OUTPATIENT treatment, and are made available for an UNLIMITED NUMBER OF TIMES!

12) Q: *What about Anesthesia?*

A: For each and every surgical procedure that requires anesthesia, **FirstChoice** pays 25% of the amount paid under the Surgical Schedule, the highest percentage in the Limited Medical Plan industry.

13) Q: *Does FirstChoice pay based upon the Medicare Discount Rate?*

A) NO! **FirstChoice** plans pay the stipulated amount in our Surgical Schedule. Some other plans pay based upon the **Resource Based Relative Value Scale**, sometimes referred to as the Medicare Discount rate. Each one known to us applies the RBRVS to the charges if the Primary Surgeon ONLY! For this reason, **FirstChoice** plans routinely pay a greater amount for Surgery than do other Limited Benefit plans. Remember too that much of the 'competition' allows only one or two Surgical procedures to be covered each year. Our **FirstChoice** provides for an **UNLIMITED** number of Surgical procedures, **INPATIENT** or **OUTPATIENT!**

14) Q: *Do FirstChoice plans cover maternity?*

A: YES! In addition to surgical and anesthesia benefits for both non-complicated vaginal delivery as well as C-section, all benefits for the room are paid as well. **FirstChoice** covers maternity as any other condition!

15) Q: *Do the FirstChoice plans have any benefits for Private Duty Nursing?*

A: YES! In fact, at the time of printing this, **FirstChoice** plans were the only Guaranteed Issue, Guaranteed Renewable plans to include benefits for PDN, which is featured in the three larger plan designs.

16) Q: *How about Accidental Death & Dismemberment?*

A: YES! In fact, the PLATINUM plan design features \$30,000, the highest benefit for AD&D in the GI marketplace.

17) Q: *Are there ACCIDENT benefits with FirstChoice?*

A: YES! In fact, while the benefits vary slightly by state, there are several benefits for accidents. They are:

a) **EMERGENCY ACCIDENT** - Pays the stipulated benefit up to 4 times each calendar year per Insured Category.

b) **SPECIFIED INJURY RIDER** - Pays a stipulated amount from a long list of injuries, per occurrence.

c) **ACCIDENTAL DEATH & DISMEMBERMENT** - As high as \$30,000, depending on the plan design.

d) **SURGICAL + RIDER** - Most accidents receive a benefit from the Surgical + Schedule, often including anesthesia, on plan designs that include a surgery rider.

e) **HOSPITAL INJURY INDEMNITY** - When included, this benefit increases the collective room benefit by the stipulated amount, as much as \$200/day with the **PLATINUM** plan.

18) Q: *Is FirstChoice an "Association Plan?"*

A: Absolutely not! FirstChoice is a **Guaranteed Renewable POLICY**, not a certificate. Plus, the plan features only legitimate and necessary supplemental health plan benefits, not Disney tickets and Hertz car rental discounts.

19) Q: *Does my FirstChoice plan include a PPO discount program?*

A: NO! While we feel that it is extremely important for everyone who uses a limited benefit plan as primary insurance to obtain a quality PPO to reprice claims, we know of none that have an adequate penetration on a national basis. For that reason, we recommend various plans depending on the region of the country.

20) Q: *Are there any FEES with FirstChoice?*

A: NO! There are never any fees of any kind with **FirstChoice!** No admin fees, association fees, application fees, set up fees or any other kind! NONE!

21) Q: *Is the HSA Supplement an "HSA qualified" plan?*

A: HSA funds may not be used to pay for an HSA Supplement premium. However, all HSA Supplement plan benefits are allowable under IRS 223, and the client may still make a tax free contribution to an HSA account.

22) Q: *May an insured purchase more than one FirstChoice plan?*

A: NO! An individual may only be covered by one **FirstChoice** policy at any given time.

23) Q: *Are the optional CANCER and ACCIDENT riders on FirstChoice?*

A: NO! They are separate Guaranteed Renewable Policies! Each is applied for on a separate app from the **FirstChoice** plan, although the Cancer and Accident may each be applied for on the same application.