



# **Peak1 Smart Choices Marketplace ACCOUNT EXECUTIVE PLAYBOOK**

## Contents

OVERVIEW .....	3
VALUE PROPOSITION .....	3
Defined Contribution Health Care .....	3
How it works.....	4
PRODUCT OVERVIEW .....	5
PRODUCT BENEFITS .....	5
TARGET CUSTOMERS .....	6
SALES APPROACH.....	6
The Pitch to Employers .....	6
The Rules .....	6
POSSIBLE OBJECTIONS.....	7
SALES TOOLS .....	8
EMPLOYER GROUP SETUP PROCESS AND TIMELINE.....	8

## OVERVIEW

This guide was created to assist sales representatives in the sales process.

With the use of this playbook, you will be able to:

1. Understand when and how to sell the Marketplace
2. Explain the features and benefits
3. Articulate the advantages of the program
4. Respond to the possible objections
5. Understand the group setup process and timeline

## VALUE PROPOSITION

The Marketplace offers an exceptional experience for employees to discover and purchase products and services to protect and promote their health and financial security.

We give employers one benefits solution for their employees, where they can shop for and enroll in medical and ancillary products - such as dental or vision coverage, disability, life insurance, and even tax-advantaged accounts - efficiently under one platform.

With the Marketplace, employees make better choices about benefits, and employers gain an innovative solution that increases cost transparency, reduces rising benefits costs, and eases benefits administration.

Built on the award-winning ConnectedHealth platform, the Peak1 Marketplace transforms benefits into a predictable, focused investment for employers. A Defined Contribution approach is good for both employers and their employees:

- Employers can "lock in" their annual benefit spending per employee, enabling them to better predict and manage their costs for the year.
- Employees are empowered to build their portfolio of health management and income protection to best suit their needs and preferences.

With the consumer-friendly, intuitive approach of the Marketplace, employers can seamlessly transition to a defined contribution strategy without concern that their employees won't understand the new approach. In fact, many employers report having one of the smoothest open enrollment periods that they recall.

## Defined Contribution Health Care

Recruiting and retaining key employees is important to every company, and a company's health benefit program is a key part of the compensation they offer to their employees. However, the high cost of traditional group benefits has made them untenable for many employers, and the predictability of a defined contribution model is making it an increasingly attractive option.

The defined contribution model redefines the role of group health coverage. It is no longer an open-ended benefit with costs that can rise at an unsustainable rate. Instead, it becomes a predictable, focused investment for the business. Defined contribution plans offer greater transparency of costs between the employee and the employer - it's clear from the employer's contribution exactly what the company is putting toward employee benefits. Employees have a greater appreciation for the financial commitment their employer is making, while they also have more control in selecting the benefits that meet their particular needs.

Note that with a defined contribution approach, an employer can give employees different contributions based on classes of employees. Federal regulations require that “a plan or issuer may treat participants as two or more distinct groups of similarly situated individuals if the distinction between or among the groups of participants is based on a bona fide employment-based classification consistent with the employer’s usual business practices.”

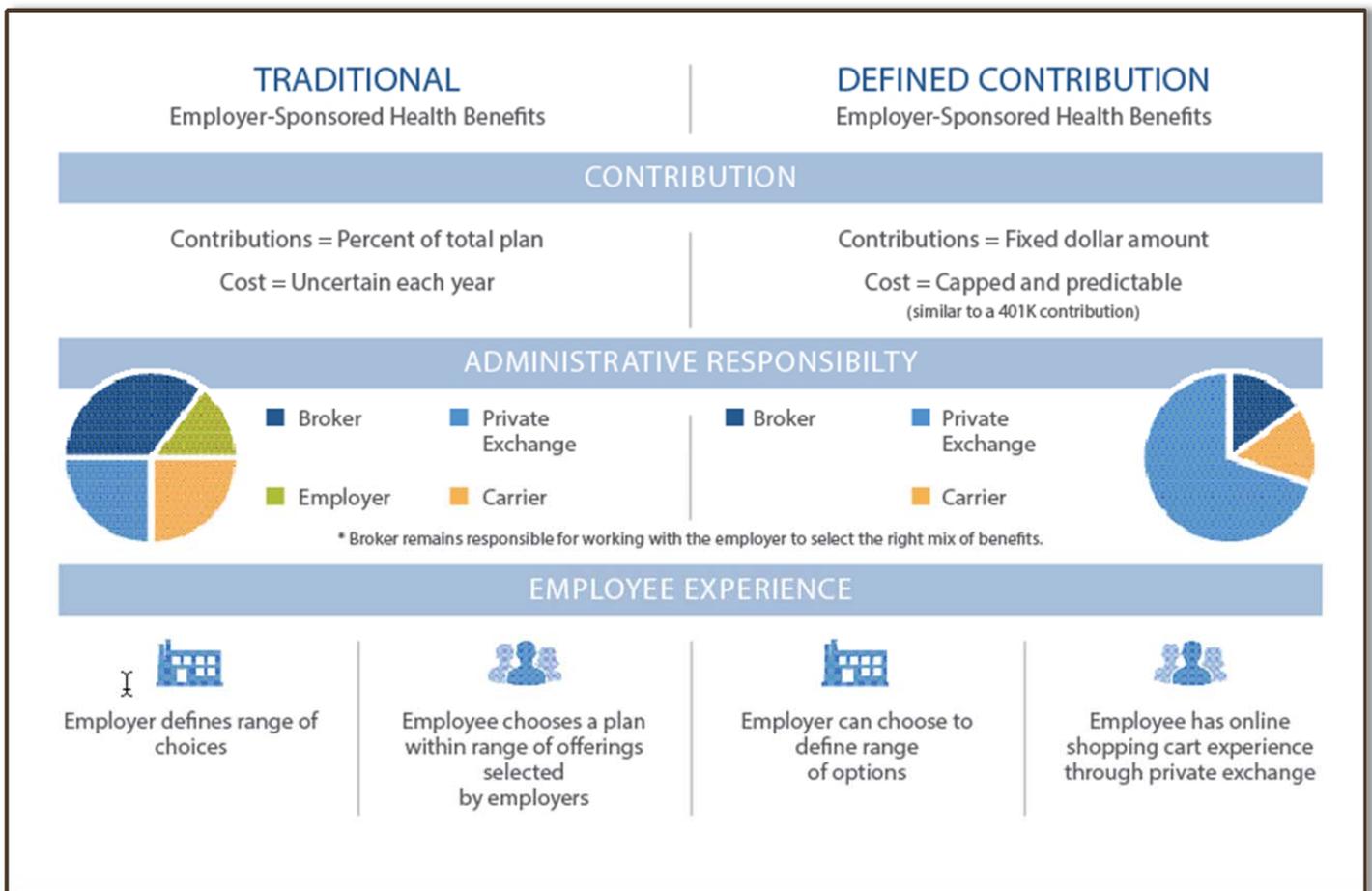
## How it works

With a defined contribution health plan, an employer allocates a fixed dollar amount (a "defined contribution") that each employee can use to purchase benefits through the Marketplace (sometimes called an 'exchange'). Employees choose among the health and benefits options as determined by the employer.

In addition to offering greater cost control and predictability to employers, defined contribution plans allow employees to be more involved in their health care choices.

- Within the Marketplace, employees provide information about their expected health use, their ability to handle costs, and their willingness to take risk.
- Employees receive personalized recommendations based on their specific preferences.

If the employee chooses a plan or mix of benefits that cost more than the employer's contribution, the employee pays the difference through payroll deductions.



## PRODUCT OVERVIEW

The Marketplace allows employers to provide their employees with access to an award-winning health insurance marketplace. Employees shop for their insurance options on the marketplace, choosing from a range of options



## PRODUCT OFFERING

- Medical plans: 11 UnitedHealthcare large group plans (51+), including 2 HSA-qualified plans and 1 Union plan
- Dental plans: choice of 3 plan provided by Delta Dental of WA (51+)
- Vision plans: choice of 3 plans through the VSP network, administered by Peak1
- Life/Disability plans: offered through The Standard
- Tax Advantage plans: FSA, HSA, HRA - offered through Peak1
- COBRA Administration (optional)

## PRODUCT BENEFITS

The Marketplace offers benefits to both employers and to their employees:

### Benefits to Employers:

- Ability to offer competitive, flexible benefit options
- Predictable employee benefits budget
- Easy-to-use online tools for administration of enrollment, management of ongoing eligibility, and reporting
- Increase in employee satisfaction

### Benefits to Employees:

- More plan options to choose from
- Personalized recommendations and guidance through selecting the right benefits, based on their preferences, budget, and tolerance for financial risk.
- Visibility of the impact of their employer’s contribution and the impact on their wallets
- For employees that choose their medical plan wisely, the balance of any remaining defined contribution dollars can be applied to other benefits such as dental and vision

## TARGET CUSTOMERS

The Marketplace is designed for employers who:

- May be considering dropping coverage because of cost
- Have a new benefits strategy that they want to implement
- Have limited time available for benefit administration
- Want to avoid the responsibility of having to choose one or two health plans for all employees
- Want to give their employees flexible options to choose the benefits that are right for their individual needs and preferences
- Want to move from percentage of premium to defined contribution (flat dollar) for employees

## SALES APPROACH

### The Pitch to Employers

*Are you interested in learning more about our defined contribution solution that will provide better predictability of your benefits budget while providing your employees greater choice in benefits?*

I am excited to let you know that we have a new, innovative solution to help you offer competitive benefits to attract and retain the employees that help make your business grow, even if you don't want to continue offering the same level of group coverage. With this solution, you set the dollar amount (or "defined contribution" amount) and your employees use those dollars to buy one of the different plan options you can offer. The defined contribution is usually set to cover the premium of the mid-level benefits plan. Your employees can then choose whether they want to buy up or down to cover their needs.

### The Rules

- Employer Contribution Minimum: minimum of 50% of the employee-only rate for the lowest cost plan offered
- No dual choice with another medical carrier
- Employer should select options at least 45 days prior to effective date. This will allow time to set up group options and eligibility rules, and provide employees with at least a two-week open enrollment period in which to shop for plans.
- Plans and rates must be confirmed with Peak1 at least 30 days prior to the first day of open enrollment

## POSSIBLE OBJECTIONS

**1. *This is too complicated for my employees to understand.***

Many employees are looking for greater flexibility and more options in their benefits portfolio. Just as they can distribute and personalize their retirement options in their 401k, more and more employees are finding that their employer's benefits program is not one size fits all and desire the ability to personalize their benefits package. With our industry-leading decision support and consumer-friendly enrollment environment, employees are finding it easier than ever to get the right benefits that fit their personal needs.

**2. *Defined contribution is just cost shifting to my employees.***

The traditional benefits approach has created an unsustainable cost shifting approach for benefits administrators and employers alike. When premiums increase, deductibles have traditionally increased in step. With a defined contribution approach, your benefits spend is modeled on your budget goals and, with that in mind, you are able to create a marketplace of 6-8 medical plan options that help employees choose the plan that best meets their needs in terms of financial risk tolerance and utilization

**3. *Employees that usually waive coverage will be more likely to enroll which will drive up costs.***

When putting this strategy in place, it is important to model the benefits cost structure based on your current or ideal spend. When done correctly, employees that have waived in the past do not gain an incentive to join the health plan as funding levels are not going to significantly entice them to enroll.

**4. *We already have electronic enrollment in place.***

The Smart Choices Marketplace provides much more than simply an enrollment system for your employees. It provides a streamlined benefits administration approach that automates eligibility and reporting capabilities across all of your employee benefits options regardless of how many carriers or products you have in place for your employees

**5. *My employees do not want more choices for their benefits; we already offer a good plan.***

In many cases, we have found that by the second year, 75%+ employees have moved away from their initial plan that they had been enrolled in pre-marketplace. This has shown us that employees, in the vast majority of cases, are looking to have choices that fit their personal utilization and risk tolerance more so than ever before. Employees want the ability to be a retail consumer when it comes to choosing their benefits.

**6. *We do not want a painful technology transition; it causes too much disruption and extra work for our company.***

Our implementation process is very streamlined and we do not require anything more than uploading employee data into our new system. This process is managed by our experienced team throughout the implementation with proven processes that ease any administrative burden throughout our initial implementation and beyond.

## SALES TOOLS



## EMPLOYER GROUP SETUP PROCESS AND TIMELINE

Once employers decide to move forward and pick plan choices and contribution amounts, most groups can be set up within 10 days. Ideally employer decisions should be made 45 days prior to the group's desired effective date. This will allow enough time for set up and at least a two-week open enrollment period in which employees can shop for plans.



1. **Peak1 and Broker discusses options with the employer**
2. **Broker** sends census and Quote Request Form to Peak1. Peak1 will submit the request for quote to the applicable Carriers for rating of all the marketplace plans.
3. **Peak1** returns to Broker a comprehensive quote proposal for all plan options selected
4. **Employer** selects 3 to 7 health plan options and sets the defined contribution
5. **Peak1/ConnectedHealth** completes group setup on the platform.
6. **Group** is notified when set up is complete and employer delivers open enrollment communication to employees with instruction for accessing the Marketplace.
7. **Employee** logs into the Marketplace to shop and enroll in their plan options.
8. **ConnectedHealth** sends enrollment to the Carriers
9. **Carrier(s)** issue ID cards and processes enrollment for coverage effective date.
10. **Employer** accesses reports to confirm enrollments, payroll deductions and manages ongoing life events through an easy-to-use Benefits Administrator Portal
11. **Peak1/Carriers** provide monthly billing to employer.