

Administration Proposal

MERP

Medical Expense Reimbursement Plan

Administrative Solutions, Inc.

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The ASI Story

Administrative Solutions, Inc. (ASI) is a highly regarded Third Party Administrator specializing in group benefits. ASI was formed June of 2001.

ASI has positioned itself to be an all inclusive TPA for employers of all sizes and is innovative in providing solutions to employee benefit plans. ASI offers services for Insurance Billing and Capitation Programs, Medical Expense Reimbursement Plans (MERP), Health Reimbursement Arrangements (HRA), Self Funded Dental and Vision Plans, COBRA Administration, Section 125 Plans (FSA), Consolidated Billing, FMLA Billing and Voluntary Benefits

ASI prides itself on outstanding customer service and its success at implementing administrative strategies to meet the growing demand of employer's rising cost. What has been most advantageous to their vast client base is ASI's ability to maintain, reduce and create significant savings through innovative approaches to the employers health and benefits.

ASI Leadership Team

<u>Name:</u>	<u>Position:</u>	<u>Industry Years:</u>
Barry Maas	President	17
Christina O. Castro, RHU CLTC	Vice President	28

Leadership Biographies

Barry Maas, President

Bachelor of Science Degree, Business Administration with an Accountancy Option, California State University, Fresno. Barry has an accounting background working in a law firm for over ten years as the office manager with a focus on all aspects of the preparation of the financials and analysis and budget preparation. Barry started ASI in 2001 as he saw a need for a local TPA administering high deductible health plans and COBRA administration.

Christina O. Castro, Vice President

Christina is a certified COBRA administrator, a Registered Health Underwriter and has her certification in Long Term Care. She has been in the Third Party Administration business for over twenty-eight years and previously worked as a consultant for a local broker's office. Christina is a past President of the Central California Association of Health Underwriters and is a member of the International Foundation of Employee Benefits, the Employee Benefit Institute of American and served on the Board of Directors for the California Department of Insurance Education Committee. Christina has written COBRA Administrative procedures for employers and provides seminars throughout California on COBRA Compliance. She currently has two continued education courses approved and filed with the California Department of Insurance.

MERP Administration

About MERPs

MERPs, Section 105 Plans, are intended to provide medical benefits to employees on a tax-free basis and tax deductible to the employer. Employers utilizing a MERP fund claims by promising specific employer contributions at a certain benefit design.

MERPs have been around since the 1960s. The IRS has issued guidance allowing these employer-funded health reimbursement plans. Employers can fund completely or charge their employees a “premium” for this employer-funded portion of their health plan.

Claims reimbursements occur as claims are incurred. No pre-funding is necessary. If no claims occur then no employer funding is required. No funding rollover is required.

Many employers are implementing insured plans with high deductible health coverage, but with first dollar benefits. These benefits are centered around a benefit design, designed by the employer. They may include co-pays, co-insurance and employee/family deductibles. Expenses submitted to the employer must be substantiated and are usually based upon negotiated provider discounts under the high deductible medical insurance.

These plans are designed to heighten employee awareness of health care costs. They are intended to cover all employees and their dependents that are covered by the high deductible health insurance plan. Employers can specify which expenses are eligible for reimbursement and whether or not those expenses are subject to deductibles, co-insurance and/or copayment provisions. Most plans require a claim to be allowed by the high deductible health insurance plan in order to qualify for the employer’s MERP. Many plans utilize co-pays, co-insurance and deductibles to aid in controlling costs and utilization.



MERP Administration

Proposed MERP Services

- Illustrate Cost Comparison of MERP Approach v. Traditional Fully Insured Plan
- Assist in Plan Design including Plan Design Options and Features
- Draft Plan Documents including Plan Document, Summary Plan Description, and Corporate Resolution
- Assist Broker in Plan Presentation
- Assist in Group Enrollment
- Provide Participant ID Cards and Plan Materials
- Provide Claims Procedures
- Enter Claims Daily. Process and Disburse Checks Weekly
- Provide RX Network
- Provide Standard Reports upon Request
- Provide Annual Plan Review
- Troubleshoot Claims Not Properly Processed by Providers

