

Point of Service Product Capability

Point of Service

This product is part HMO policy and part indemnity policy. It is available to HMO clients that seek to add an out of network and out of area component to their traditional HMO product. This product is usually referred to as "Triple Option" as the employee can obtain care through three different avenues: HMO customer group employees can obtain care through the HMO network, designated preferred providers outside the HMO's traditional network or through any other provider of the employee's choice. As with straight PPO products, the development of the PPO component of this product is complicated to set up and administer. It is a popular product with customer groups as it provides the maximum amount of flexibility and coverage to employees.

KEY ELEMENTS OF THE PRODUCT:

- A joint agreement between the HMO and Standard Security is required in order to develop and sell this product.
- Product design is critical; Standard Security will not accept some portions of the coverage offered (e.g. transplants) that should remain with the HMO.
- HMO must be willing and able to assume most of the risk for these members.

RESPONSIBILITIES OF THE PARTIES:

- Underwriting guidelines are developed by Standard Security.
- Rate development can be performed by either party, however, Standard Security reserves the right to approve rates for filing.
- Product filing is responsibility of the HMO.
- Claims payment is, usually, the responsibility of the HMO (subject to Standard Security's review and written approval of the HMO's claims paying capabilities).

This product takes between two months and six months to develop. The time frame is impacted by the level of involvement and the amount of cooperation between the HMO, state and consultants (actuarial, legal, etc.). Replacement of an existing product can help shorten the time frame.