

American Group Administrators, Inc. Employee Benefits Administration

American Group Administrators, Inc. is a national third party administrator with corporate offices in New York City and operations based in Las Vegas, NV. As with any organization, the people at AGA are its foundation. The Las Vegas Operations Center has a staff with 200+ years experience in the TPA and insurance arena. The combination of this team and a fully developed system allows American Group Administrators, Inc. to manage our clients' benefit plans dollars – effectively and efficiently.

Our personnel are extremely well versed in administration and claims handling functions, allowing AGA to realize maximum efficiency and accuracy from our fully computerized enrollment and claims adjudication system. The administrative services provided by American Group Administrators, Inc. include:

1. Conduct a thorough and comprehensive enrollment of eligible employees
2. Facilitate preparation of employee communications material and the ERISA plan document
3. Establish bank interface to issue claims payment checks from Plan Sponsors dedicated account
4. Provide customized employee and dependent identification cards
5. Transfer eligibility to clients Pharmacy Benefits Manager (PBM)
6. Verify eligibility and benefits to providers
7. Examine Claims
8. Verify eligibility of Claimant
9. Process claims in accordance with the Plan Document
10. Coordinate with other plans that may be primary (COB)
11. Provide access to PPO networks across the country
12. Coordinate Claims Processing with Utilization Review and Case Management partners
13. Prepare an Explanation of Benefits (EOB) form for each claim submitted
14. Handle member and provider claim inquiries via national toll-free phone numbers
15. Provide monthly management information to the Plan Sponsor
 - a. Amount paid to each claimant segregated by Employee/Spouse/Child
 - b. Amount paid segregated by benefit, i.e., hospital, x-ray, and office visits
 - c. Specific stop-loss detail listing claimants exceeding 50% of Specific Deductible (where applicable)
16. Provide benefit design service and analysis of current benefit programs
17. Full COBRA and HIPAA Administration
18. Secure reinsurance from 'A' rated carriers (where applicable)
19. Submission of all claims to reinsurer for reimbursement (where applicable)
20. Provide information for required reports to governmental agencies as required by statute (i.e., 5500, 1099)

Claims Administration

American Group Administrators, Inc. uses one of the most sophisticated claims processing systems, WLT Software. This claims system has internal protocols designed to ensure that claims are paid in accordance with proper coding guidelines and established protocols. The claims processing system will identify claims that may contain potential coding problems that may result in an overcharge to our clients.

An integral part of the claims processing system is the built-in control of medical utilization and charges. Hospital room rates are matched to verify accuracy of the charge for the type of room described on the hospital bill. The physician's fee is automatically computed and checked to determine that it is within the usual, customary and reasonable fee (UCR) for the services rendered in that area. By having the processing software on a dedicated server in our offices, we are able to load provider files and fee schedules for the PPOs used by our clients for claims examiners to access in adjudicating claims. Our system capabilities also include an optical disk imaging system, which maintains a copy of each claim that can be retrieved by customer service representatives/claims examiners on their own PC.

American Group Administrators, Inc. can facilitate HIPAA compliant client inquiry access to certain databases. In order to access the system, the Plan Sponsor must have available a PC and modem in a HIPAA compliant area.

The combination of a sophisticated claim processing system, experienced and knowledgeable claims staff, and positive working relationships with national Preferred Provider Organizations make for strong and effective claims control and management.

As a service company, American Group Administrators, Inc. is committed to providing exceptional customer service to our clients. It is our objective to illustrate our commitment by publishing our Service Standards as follows:

Service Standards	Performance %
1. Claim Payment Turnaround Time	80% of clean claims paid within 12 business days
2. Payment Accuracy Rate	99% accuracy rate
3. Coding Accuracy	98% accuracy rate
3. Disbursement Accuracy	99% accuracy rate

COBRA Administration

Purchasing computer programs and resource materials, on top of staffing expenses, makes COBRA administration a costly in-house function. COBRA is thought to be a small part of the administration of an employee benefit plan, but it most likely accounts for a disproportionate amount of time. Keeping current of the ongoing changes to the federally mandated COBRA (and HIPAA) regulations is very time consuming.

Fully understanding the scope of the changes to COBRA law is a challenge to any benefits administrator. Federal penalties can be levied per infraction, per day. This means even a minor infraction relating to just a few employees can add up to a significant financial burden. Plan Sponsors need to think twice about having this as an internal function.

By outsourcing COBRA Administration to American Group Administrators, Inc., Plan Sponsors will eliminate the cost associated with in-house administration, as well as the burden of dealing with this Federal regulation.

Once notified of qualifying events, AGA will do the rest. We will handle all communications, tracking and reporting necessary to ensure that your COBRA program is administered to the letter of the law. Full documentation of each and every step provides a complete audit trail for government and carrier reviews or legal challenges. AGA's COBRA and HIPAA Administration services include:

- Initial, documented, notification of COBRA to all eligible employees
- All subsequent required notifications and documentation
- Receipt of COBRA premiums
- Accessible history of each qualified beneficiary including an audit trail of notifications sent and payment history
- COBRA premium change notification to qualified beneficiaries
- Certificate of Coverage, required by the HIPAA, sent with each COBRA qualifying event letter and at the end of the COBRA coverage.
- Accurate records showing proof of compliance

Cost Containment Options

Preferred Provider Organizations

American Group Administrators, Inc. has developed a complete portfolio of Preferred Provider Organizations, both regional and national networks. By using a PPO benefit program, employees gain freedom of choice and employer's gain control of claims costs by accessing the contracted rates of some of the premier national and regional PPOs. The fee schedules for the majority of these PPOs are built into our claims processing system for easy access by our claims examiners.

Pharmacy Benefit Management

Pharmacy costs are increasing at a rapid rate. This is a concern to many plan sponsors partly because the increases in pharmacy costs exceed those of most other health plan services, such as inpatient hospital or physician services.

Through our association with national Pharmacy Benefits Management companies (PBM), we are able to offer programs that includes more than 50,000 retail pharmacies nationally. We have access to programs that cut the average prescription costs by approximately 35%. Our mail order programs for maintenance medications enhance these savings, resulting in discounts of 40% to 50% on brand and generic drugs. Our PBM partners also allow prescriptions for 90-day supplies of maintenance medications to be filled at selected pharmacies at no additional cost over mail order to the patient or Plan.

Our system provides eligibility to the PBM who passes it electronically to their participating pharmacies, and allows American Group Administrators, Inc. to offer our client's non-duplication of enrollment. Employers are also assured that updates to eligibility are handled efficiently.

Utilization Management

American Group Administrators, Inc. subcontracts with medical management companies specializing in utilization review and case management on a capitated basis. The goals of AGA and its utilization review partners are to provide high quality cost effective Medical Management Programs that emphasize compassionate and professional interventions. We offer a full range of medical management services and have the flexibility to custom design a program to meet your needs.