

## Underwriting regulations for the Value Network

AmeriHealth New Jersey's new Value Network is a subset of our Preferred Network that represents the best value for price-conscious groups looking to lower their premiums. This unique network of New Jersey-based providers offers the same quality, access, and service that members have come to expect of AmeriHealth New Jersey.

### Overview

<b>Network size</b>	The Value Network represents approximately 71% of the New Jersey-based providers within the Preferred Network.
<b>Available markets</b>	The Value Network is available in both SEH and non-SEH markets.
<b>National access</b>	The National Access rider is not available with the Value Network.
<b>Pennsylvania access</b>	The Value Network does not include any providers in Pennsylvania. If a Pennsylvania member is enrolled in a Value Network product, only those New Jersey-based Value Network providers will be considered in network.

### Available products

Product	SEH	Non-SEH
AmeriHealth 65®		
CMM/Traditional		
HMO	✓	✓
HMO Coinsurance	✓	✓
HMO Plus	✓	✓
HMO Split Copay	✓	✓
HMO Split Copay Plus	✓	✓
HMO Plus Coinsurance	✓	
National Access		
POS	✓	✓
POS Coinsurance	✓	✓
POS Plus	✓	✓
POS Plus Split Copay	✓	✓
POS Plus Coinsurance	✓	✓
POS Split Copay	✓	✓
PPO		
PPO HSA	✓	✓
PPO IHC	✓	✓

## Sales strategy

### New business

The Value Network may be sold on all available products outlined above subject to the plan offering limitations outlined in the “Multiple Plan Option” section.

### Retention

Existing AmeriHealth New Jersey groups may move to the Value Network from the lowest-cost Preferred Network option (currently HMO Coinsurance Option 3 or IC POS Coinsurance Option 3 for non-SEH and HMO Coinsurance Option 3 only for SEH). If the group is currently at any other plan design, the Value Network is not available. If a plan change is made from the Preferred Network to the Value Network in combination with other benefits changes, the overall result (network plus benefits changes) must be a premium decrease.

## Multiple plan options

### SEH

#### Core/buy-up

A group may not offer both Value Network and Preferred Network to its employees as a core/buy-up option. In that scenario, an SEH group must offer all available products on the Value Network or Preferred Network but may not offer both.

#### Class carve out

- SEH groups of 10 or more eligible employees may offer Value Network and Preferred Network if the distinction is by a specific class or category of employee (subject to state and federal requirements). However, only the following specific employee classes/categories will be allowed when offering Value Network versus Preferred Network: salary versus hourly employees; full-time versus part-time employees; management versus non-management; union versus non-union; owners versus non-owners; New Jersey versus out-of-state employees. If a group has out-of-state employees, we will allow a class carve out by site location and offer Value Network to the New Jersey employees and Preferred Network with the National Access rider to the out-of-state employees. Underwriting reserves the right to request any documentation necessary for verification of employee classification.
- SEH groups with less than 10 employees may not offer Value Network versus Preferred Network as a class-carve-out option *except* in the scenario of New Jersey versus out-of-state employees. If a group has

employees located outside of New Jersey, we will allow a class carve out by site location and offer Value Network to the New Jersey employees and Preferred Network with the National Access rider to the out-of-state employees,

### Non-SEH

A group may offer both Value Network and Preferred Network to their employees as either a core/buy-up or class-carve-out option (subject to state and federal requirements). However, in the core/buy-up scenario there must be a significant in-network benefits design difference consisting of:

- a minimum coinsurance difference of 10%;
- a minimum copay difference of \$10;
- a minimum deductible difference of \$500.

In a dual-option scenario, Underwriting reserves the right to reprice if there is a 10% or greater change in enrollment. This change can be a result of plan design enrollment or enrollment by tier.

## Network changes

### SEH

Changes to the initial network option purchase may not occur until the network plan has been in place for at least 12 months. Example: New group purchases Value Network on July 1, 2011. It may not change to Preferred until July 1, 2012. Once the most recently purchased network option has been in place for at least 12 months, a group may upgrade (Value to Preferred) or downgrade (Preferred to Value) on anniversary or at any time during the year. However, it may not make another benefit change for at least 12 months from the effective date of the last change. Also, if the group is in the Preferred Network it should move to Value Network only from the lowest Preferred Network plans (currently HMO Coinsurance Option 3).

### Non-SEH

A network downgrade (Preferred to Value) is allowed at any time. However, if the group downgrades from Preferred to Value, it may not move back up to the Preferred Network for at least 12 months. A network upgrade (Value to Preferred) is allowed only on anniversary. If the group upgrades from Value to Preferred, it may not move back to the Value Network for at least 12 months. Also, if the group is in the Preferred Network it should move to Value Network only from the lowest Preferred Network plans (currently HMO Coinsurance Option 3 or IC POS Coinsurance Option 3).