



*insurance with*  
**FLEXIBILITY &  
FREEDOM**

**2022 Lasso Healthcare  
MSA Overview**

# About Lasso Healthcare Insurance Company

Lasso Healthcare is a growing Medicare-market health insurer. The Lasso Healthcare individual Medical Savings Account (MSA) was first offered in 17 states in 2019 and has grown to 35 states plus the District of Columbia for the 2022 plan year.



## Products

Lasso Healthcare is the nation's leading MSA carrier, offering MSAs in more locations and to more members than any other carrier.



## Operational Partners

To offer best-in-class experience for its members, Lasso Healthcare partners with a national third-party administrator to provide enrollment processing, claims processing and customer service, along with a national banking entity to administer the MSA's banking components.



## Financial Solvency

Lasso Healthcare meets, and many times exceeds, department of insurance's significant capital and surplus requirements in all states it operates in. Additionally, Lasso Healthcare is partnered with one of the largest reinsurance groups in the world for reinsurance on its products.



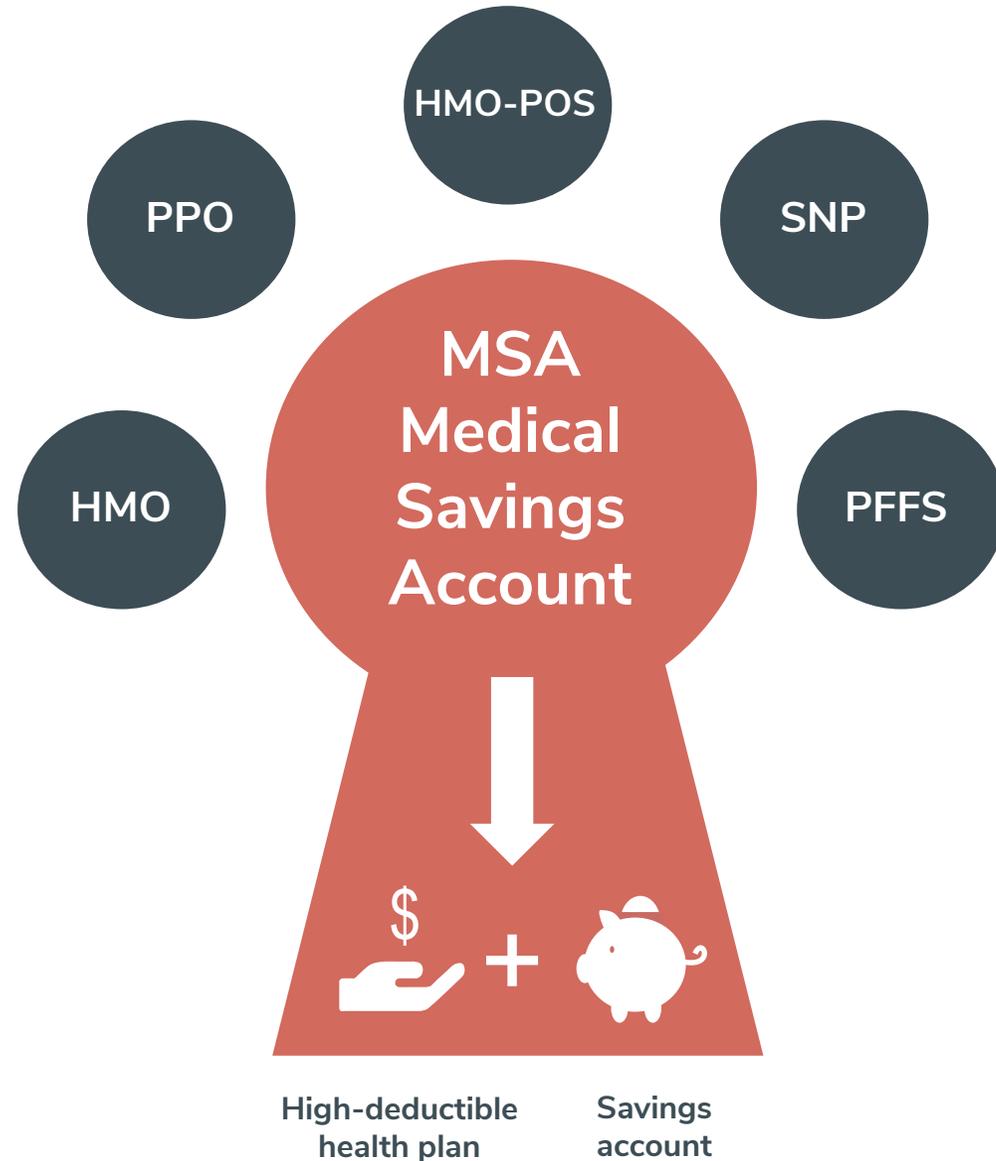
## Distribution

Lasso Healthcare values its relationship with producers representing its products in the market and collaborates to build a successful strategy together. That's why we've partnered with some of the largest distributors of Medicare products.

# What is an MSA?

The MSA is one type of Medicare Advantage (MA) plan featuring a high-deductible health plan combined with a special medical savings account.

Optum Financial, a market leader in health savings accounts, is Lasso Healthcare's banking partner.



# How the MSA Works

MSAs are comparatively simple benefit plans - no copays, referrals or prior authorizations - and operate on four basic premises.



1

Lasso Healthcare deposits money from Medicare into your medical savings account annually.



2

You decide how to spend, save, and/or invest the funds.



3

You are responsible for expenses until you reach the plan deductible, then Lasso Healthcare pays 100% of any additional Medicare A/B expenses incurred.



4

Any funds remaining at year-end belong to you and roll over to the next year.

# Joining the MSA Plan

As compared to other MA plans, there are additional requirements to join the MSA plan.

## You must:

- Be Medicare-eligible
- Live in the Lasso Healthcare MSA service area
- Reside in the U.S. for 183 days or more during the calendar year
- Not have other coverage that would cover the MSA plan deductible, including benefits under an employer or union group, TRICARE, the VA or FEHBP
- Not be currently eligible for Medicaid
- Not be currently receiving Medicare hospice benefits

# MSAs Offer Unique Features and Appeal

MSAs offer a unique combination of features.

These features mean many different types of Medicare beneficiaries can find value in an MSA plan.



Only MA product to give you money

\$0

\$0 premium, by law



No network - access to any Medicare provider



Gives you choice and flexibility with your health care



Potential to grow balance over time



Freedom to choose best Part D plan



Enhanced tax-free expense coverage



Extra perks with member rewards program



HSA fans



Travelers & snow birds



People with in-control chronic conditions



Health enthusiasts



Med Supp enrollees

# Individual MSA Enrollment and Disenrollment

Compared to other MA plans, there are limited opportunities to enroll and disenroll in the MSA. Enrollment is typically for a full calendar year.

CMS extends a special accommodation if you are a first-time MSA enrollee entering AEP. If applicable, you are allowed to change your mind and disenroll from the MSA by December 15. Keep in mind if you disenroll after December 7 (the end of AEP), your only option is to return to Original Medicare.

\*Disenrollment is limited to AEP and SEP circumstances such as:

- A permanent move out of the service area
- Gaining Medicaid eligibility
- Gaining other coverage duplicating Medicare A/B services
- Enrolling in a 5-star MA plan
- Trial Period if you left a Med Supp to enroll into a MA plan for the first time

| Medicare Periods    | AEP Annual Enrollment Period | OEP Open Enrollment Period | ICEP Initial Coverage Election Period (at 65)                                                                                              | OEP NEW Open Enrollment Period – Newly Eligible | SEP Special Election Period |
|---------------------|------------------------------|----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|-----------------------------|
| Period Timing       | Oct 15 – Dec 7               | Jan 1 – Mar 31             | Birth (entitlement) month + 3 months before + 3 months after                                                                               | 3 months following ICEP                         | Varies                      |
| Enroll in MSA?      | Yes                          | No                         | Yes                                                                                                                                        | No                                              | No                          |
| Coverage Effective  | Jan 1                        | N/A                        | 3-1 mos. prior = first day of entitlement month<br><br>Birth & 1-3 mos. post = first day of month after completed enrollment form received | N/A                                             | N/A                         |
| Disenroll from MSA? | Yes                          | No                         | N/A                                                                                                                                        | No                                              | Yes, but limited*           |

# Deposit & Deductible Amounts

Enrollment is generally for a full calendar year, unless you meet certain, limited exceptions, and typically requiring a written disenrollment request.

Assuming the full year enrollment, the plan deposit and deductible are full calendar year amounts. Both are prorated monthly for any enrollment happening within the calendar\*.

**Enrollment  
effective January 1**



Receive full-year deposit and are responsible for the full-year deductible

**Enrollment  
effective April 1**



Receive 9-month prorated deposit and are responsible for a 9-month prorated deductible

**Disenrollment  
effective July 1**



Owe 6-month prorated amount of current year's deposit back to Lasso Healthcare and are responsible for the full-year deductible.

**Remain member  
through December 31**



Keep any remaining funds from current year's deposit

\*The deductible is NOT prorated for disenrollment. A disenrolling member remains responsible for medical expenses incurred prior to disenrollment up to the full amount of the deductible.

# Optum Financial Benefits for Members

Once the initial deposit has been made to the Optum Financial-administered account, you are free to move the funds to your choice of financial institution, subject to a transfer fee and any applicable taxes.

Optum Financial provides special benefits to Lasso Healthcare members.



No custodial fees as long as you remain a Lasso Healthcare member\*



A debit card linked to your Optum Financial account for using MSA funds



NO minimum balance to maintain



Interest earned on account balance; see current rates on Optum Financial's website



Monthly statements showing account activity

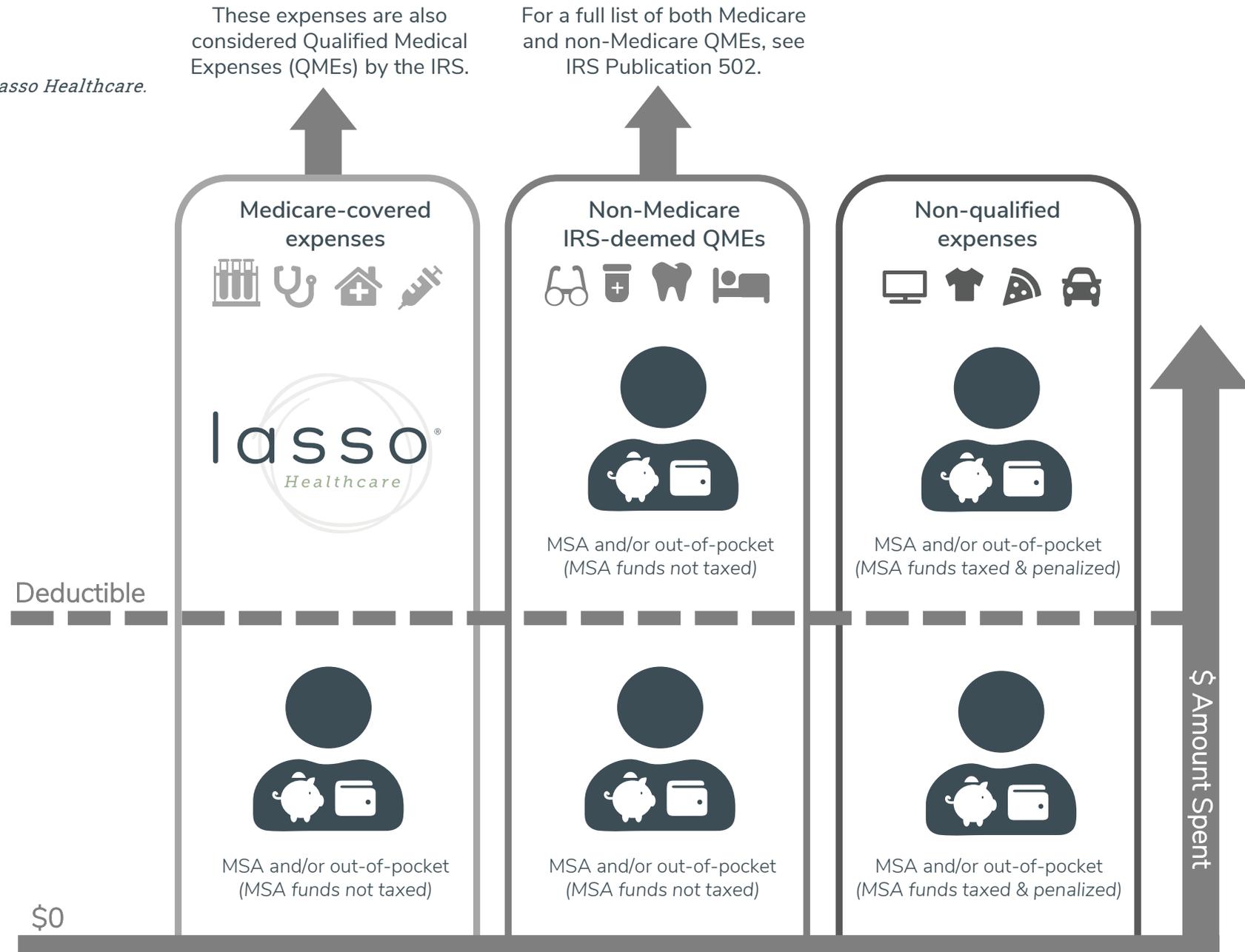


Option to invest any balance over \$2,000 to potentially grow funds

\*Monthly maintenance fees will be charged if you are no longer a Lasso Healthcare member; alternatively, you can transfer funds to a custodian of your choice, subject to a transfer fee and any applicable taxes.

# Payment Responsibility with the MSA

Lasso Healthcare pays any additional Medicare-covered services incurred after you reach the plan deductible. You are responsible for all other expenses. Remember, MSA funds are only taxed and penalized if used on non-qualified expenses.



# Tax Implications

MSAs offer tax advantages unique to MA, but also have special reporting requirements that must be followed.

- ✓ Funds are not taxed when deposited into the medical savings account
- ✓ Funds, and any gains, are not taxed while they remain in the account
- ✓ Funds, and any gains, are not taxed upon withdrawal, if used for Qualified Medical Expenses
- ✓ Optum Financial sends you a Form 1099-SA if MSA funds are withdrawn during the year (any amount/reason)
- ✓ If MSA funds were used during the year (any amount/reason), you must file both IRS Forms 8853 and 1040, even if not otherwise required to file an income tax return
- ✓ Review IRS Publications 969 and 502, and speak with a tax advisor for more information

# Prescription Drug & Ancillary Coverages

Additional, limited benefit policies can be purchased that best fit your needs. MSA funds can be used tax-free to pay for items such as the plan copays or deductibles.

| COMMON COVERAGES                                                                                                                      | Use MSA funds tax-free on: |        |             |             |
|---------------------------------------------------------------------------------------------------------------------------------------|----------------------------|--------|-------------|-------------|
|                                                                                                                                       | Premiums                   | Copays | Coinsurance | Deductibles |
|  Standalone Medicare Prescription Drug (Part D) Plan |                            | ✓      | ✓           | ✓           |
|  Hospital Indemnity Policy (HIP)                     |                            | ✓      | ✓           | ✓           |
|  Critical Illness Insurance                          |                            | ✓      | ✓           | ✓           |
|  Long-term Care (LTC)                                | ✓                          | ✓      | ✓           | ✓           |
|  Dental                                            |                            | ✓      | ✓           | ✓           |
|  Vision                                            |                            | ✓      | ✓           | ✓           |

# Clinical Access in the MSA

With no plan network and access to all Medicare providers, you are free to see any provider you choose, but get the most value by seeing Medicare-participating providers.

|                                                                                                                  | Medicare-Participating                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Medicare Non-participating                                                               | Medicare Opt-out                                                                  |
|------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|
|  <p><b>PROVIDER ACCESS</b></p> | <p>MSA plans do not have a network of providers, so you choose your health care services and providers. Many providers accept the MSA, including some of the largest and most renowned health systems.</p> <p><b>Providers can decide at every visit whether to accept the Plan and agree to treat you; however, you cannot be denied emergency care due to your insurance plan.</b></p> <p>Before receiving any services, you are encouraged to share our detailed provider guide with providers and confirm they will accept our Plan. Providers may also call the Lasso Healthcare Provider Services team for assistance. You may also reach out to Member Services and ask we contact your provider.</p> |                                                                                          |                                                                                   |
|  <p><b>SERVICE CHARGES</b></p> | <p>Pay lesser of billed charges or 100% Medicare rates</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <p>95% Medicare rates; can balance bill, where allowed by law, up to limiting charge</p> | <p>Private contract between you and provider; billing not limited by Medicare</p> |
|  <p><b>PLAN HANDLING</b></p> | <p>Medicare-covered charges count toward deductible</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <p>Excess charges not reimbursed by plan, do not count toward deductible</p>             | <p>Charges not reimbursed by plan, do not count toward deductible</p>             |

# How MSA Claims Work

Claims under the MSA work like any other MA plan with \$0 copay – claims are submitted to Lasso Healthcare for repricing and a check to see if the plan deductible has been met to determine payment responsibility.

1. You see Medicare-participating provider (\$0 copay)



2. Provider bills visit to Lasso Healthcare



3. Lasso Healthcare reprices to 100% Medicare rate



4. Lasso Healthcare checks progress toward deductible



5. Lasso Healthcare sends you monthly Explanation of Benefits



4A. Lasso Healthcare pays provider



Met



Not Met



4B1. Lasso Healthcare notifies provider of your responsibility



4B3. You pay provider (MSA funds or out-of-pocket)



4B2. Provider invoices you

# Lasso Healthcare Rewards Program

The Lasso Healthcare Rewards Program encourages you to seek smart, preventive care, offering extra perks for participation.

You can use MSA funds on preventive services tax-free, and those services count toward the plan deductible.





# 2022 Plan Designs

Lasso Healthcare offers two competitive plan designs which are available in every county across the service area.

Lower  
risk  
option



Higher  
reward  
option

## GROWTH MSA

|                     |         |
|---------------------|---------|
| Deposit             | \$2,000 |
| Deductible          | \$5,000 |
| Your Responsibility | \$3,000 |

## GROWTH PLUS MSA

|                     |         |
|---------------------|---------|
| Deposit             | \$3,000 |
| Deductible          | \$8,000 |
| Your Responsibility | \$5,000 |

# Growth MSA, \$2k/\$5k Design: Value Proposition

Comparing Plan G to the MSA and the long-term expense. This example shows a client with low utilization and high utilization over a 10-year period.

\*Comparison uses an average Plan G premium of \$120 per month with an average annual increase of 7%. The rates displayed are for illustrative purposes only, please contact your current or prospective Medicare Supplement carrier for actual rates and historical increase percentages. Medical expense of \$203 is the 2021 Plan G cost sharing, which is subject to change annually.

## Low Utilization

| \$500 Annual Medical Expense |                     |        |                       |
|------------------------------|---------------------|--------|-----------------------|
| MSA                          |                     | Plan G |                       |
| Year                         | Deposit             | Year   | Premium               |
| 1                            | \$ 2,000.00         | 1      | \$ (1,440.00)         |
| 2                            | \$ 2,000.00         | 2      | \$ (1,540.80)         |
| 3                            | \$ 2,000.00         | 3      | \$ (1,648.66)         |
| 4                            | \$ 2,000.00         | 4      | \$ (1,764.06)         |
| 5                            | \$ 2,000.00         | 5      | \$ (1,887.55)         |
| 6                            | \$ 2,000.00         | 6      | \$ (2,019.67)         |
| 7                            | \$ 2,000.00         | 7      | \$ (2,161.05)         |
| 8                            | \$ 2,000.00         | 8      | \$ (2,312.33)         |
| 9                            | \$ 2,000.00         | 9      | \$ (2,474.19)         |
| 10                           | \$ 2,000.00         | 10     | \$ (2,647.37)         |
|                              | \$ 20,000.00        |        | \$ (19,895.68)        |
| Year                         | Medical Expense     | Year   | Medical Expense       |
| 1                            | \$ (500.00)         | 1      | \$ (203.00)           |
| 2                            | \$ (520.00)         | 2      | \$ (203.00)           |
| 3                            | \$ (540.80)         | 3      | \$ (203.00)           |
| 4                            | \$ (562.43)         | 4      | \$ (203.00)           |
| 5                            | \$ (584.93)         | 5      | \$ (203.00)           |
| 6                            | \$ (608.33)         | 6      | \$ (203.00)           |
| 7                            | \$ (632.66)         | 7      | \$ (203.00)           |
| 8                            | \$ (657.97)         | 8      | \$ (203.00)           |
| 9                            | \$ (684.28)         | 9      | \$ (203.00)           |
| 10                           | \$ (711.66)         | 10     | \$ (203.00)           |
|                              | \$ (6,003.06)       |        | \$ (2,030.00)         |
| <b>Total:</b>                | <b>\$ 13,996.94</b> |        | <b>\$ (21,925.68)</b> |

## High Utilization

| 7 Inpatient Visits in 7 out of 10 Years |                       |        |                       |
|-----------------------------------------|-----------------------|--------|-----------------------|
| MSA                                     |                       | Plan G |                       |
| Year                                    | Deposit               | Year   | Premium               |
| 1                                       | \$ 2,000.00           | 1      | \$ (1,440.00)         |
| 2                                       | \$ 2,000.00           | 2      | \$ (1,540.80)         |
| 3                                       | \$ 2,000.00           | 3      | \$ (1,648.66)         |
| 4                                       | \$ 2,000.00           | 4      | \$ (1,764.06)         |
| 5                                       | \$ 2,000.00           | 5      | \$ (1,887.55)         |
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|                                         | \$ 20,000.00          |        | \$ (19,895.68)        |
| Year                                    | Medical Expense       | Year   | Medical Expense       |
| 1                                       | \$ (5,000.00)         | 1      | \$ (203.00)           |
| 2                                       | \$ (5,000.00)         | 2      | \$ (203.00)           |
| 3                                       | \$ (5,000.00)         | 3      | \$ (203.00)           |
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| 7                                       | \$ (5,000.00)         | 7      | \$ (203.00)           |
| 8                                       | \$ (5,000.00)         | 8      | \$ (203.00)           |
| 9                                       | \$ (5,000.00)         | 9      | \$ (203.00)           |
| 10                                      | \$ (711.66)           | 10     | \$ (203.00)           |
|                                         | \$ (36,882.42)        |        | \$ (2,030.00)         |
| <b>Total:</b>                           | <b>\$ (16,882.42)</b> |        | <b>\$ (21,925.68)</b> |

# Growth Plus MSA, \$3k/\$8k Design: Value Proposition

Comparing Plan G to the MSA and the long-term expense. This example shows a client with low utilization and high utilization over a 10-year period.

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## Low Utilization

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|                              | \$ 30,000.00        |        | \$ (19,895.68)        |
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|                              | \$ (6,003.06)       |        | \$ (2,030.00)         |
| <b>Total:</b>                | <b>\$ 23,996.94</b> |        | <b>\$ (21,925.68)</b> |

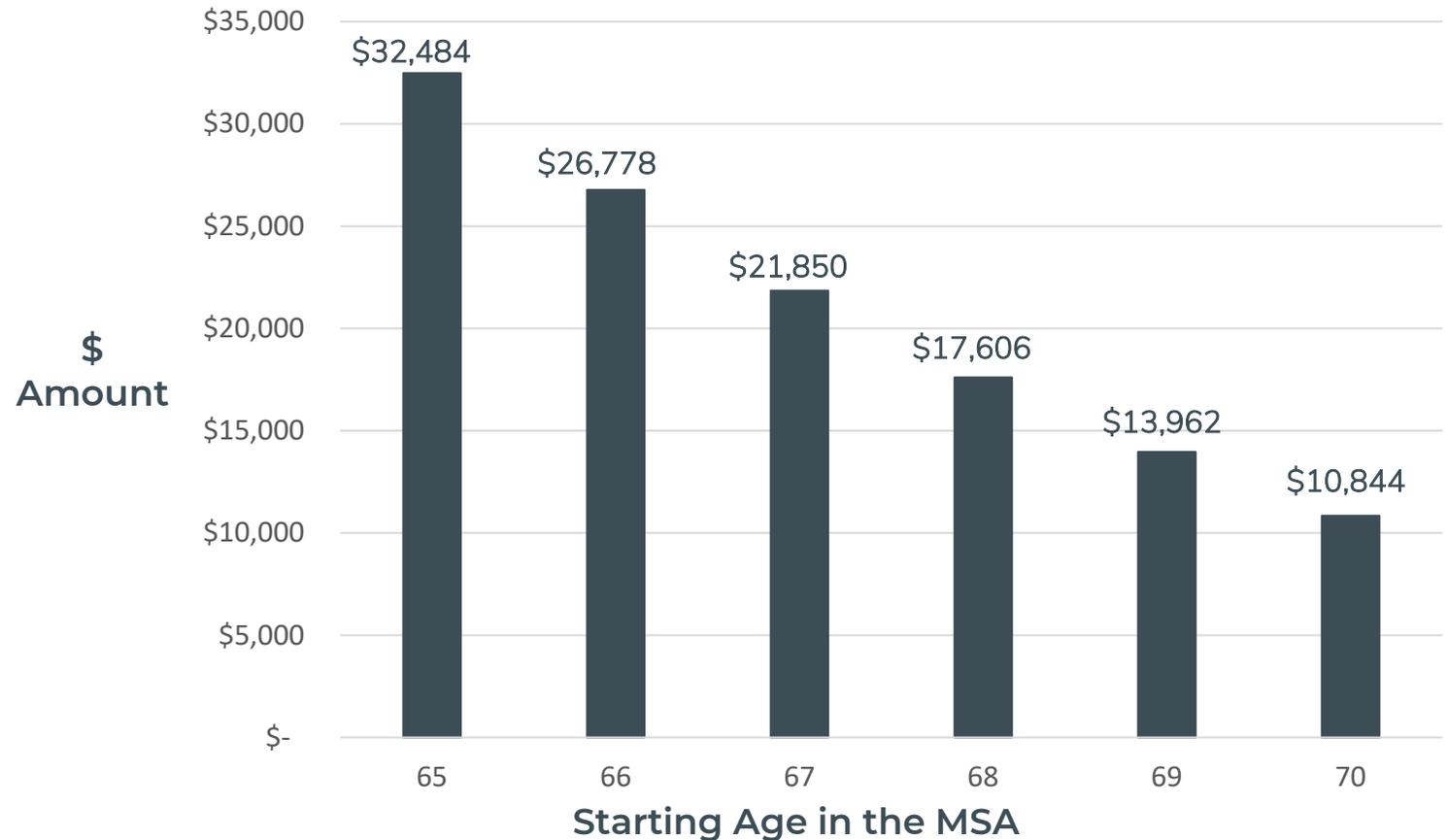
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| 9                                       | \$ (8,000.00)         | 9      | \$ (203.00)           |
| 10                                      | \$ (711.66)           | 10     | \$ (203.00)           |
|                                         | \$ (57,882.42)        |        | \$ (2,030.00)         |
| <b>Total:</b>                           | <b>\$ (27,882.42)</b> |        | <b>\$ (21,925.68)</b> |

# The Earlier, The Better

With an annual deposit and a \$0 monthly premium, many members can grow their funds over time. Add in time value of money, and there is a significant, compelling reason to start membership as early as possible.

## Total Savings (MSA Balance) at Age 75



Assumes \$3,000 annual deposit, usage/expenses starting at \$1,000 per year and growing to \$2,000 per year and investment return of 10%.

# Maximizing Value and Health

With just a little discipline, the power of the MSA can be harnessed to get the most financial value - and better health - from your plan.

1



Establish a plan to cover your responsibility portion of the health costs.

2



Partner with providers, be a good patient and health care consumer - and live a healthier lifestyle.

3



Limit MSA funds used on non-qualified expenses.

4



Consider investing excess MSA funds to potentially grow money for future health expenses.

# Plan Enrollment and Setup

Enrollment in the Lasso Healthcare MSA plan is easy, and includes establishing both your Lasso Healthcare-backed health insurance, plus your Optum Financial-administered savings account.

1



You complete the enrollment application.

2



Lasso Healthcare sets up both your health insurance plan and your medical savings account.

3



Lasso Healthcare deposits the funds into your medical savings account.

4



You receive both a Lasso Healthcare member ID card and an Optum Financial debit card linked to your savings account.

# Enroll Today

Looking forward to servicing you as a Lasso Healthcare member in 2022!



**Online:**  
LassoHealthcare.com



**Fax:**  
1-888-638-6943



**Phone:**  
1-800-918-2795



**Mail:**  
P.O. Box 60690  
Harrisburg, PA 17106-0690

**Questions? 1-866-766-2583 / TTY: 711**

October 1 - March 31: 8 a.m. - 8 p.m. 7 days a week

April 1 - September 30: 8 a.m. - 8 p.m. Monday – Friday

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Established in 2018, Lasso Healthcare launched its flagship Lasso Healthcare MSA plan to 17 states for Medicare Advantage coverage starting January 1, 2019. Since then, the individual MSA plan has expanded to 35 states plus the District of Columbia.



Lasso Healthcare Insurance Company

