



# REALIGN 365

## *Deductibles Re-imagined*

When it comes to deductibles, timing makes all the difference. A high cost healthcare event that straddles the end of a plan year often means you may not meet your deductible before it resets—and you have to start over. In those situations, you may essentially have to meet two deductibles before coverage begins.

ReAlign 365 from Summit Re changes that. This innovative product bases your deductible accumulation period on a dollar value trigger rather than a calendar date, allowing you to get more for your reinsurance money. It frequently captures more of a member's episode of care under a single deductible.

### **Here's how it works:**

1. The Accumulation Period for each member begins on the effective date of the reinsurance agreement.
2. The trigger date is reached when total claims for a member reach 20% (variable %) of the reinsurance retention amount (deductible), based on date of service.
3. That Accumulation Period for that member extends 365 days from the trigger date. Reinsurance claims for amounts that exceed the deductible are paid according to the terms of the reinsurance agreement.
4. The Accumulation Period resets on the 366th day following the trigger date.

*See reverse for real-world examples illustrating the potential financial impact of ReAlign 365.*

## ***Why work with Summit Re?***

In today's rapidly evolving healthcare marketplace, the reinsurance partner you choose has to be flexible. Adaptable. Forward-thinking. Summit Re not only understands healthcare risk, but we've also built our reputation on crafting dynamic solutions that accomplish each client's specific goals. Our success depends on your success.

**We're in this together.**



## EXAMPLE 1:

### Coverage Summary:

- \$500,000 Retention, 90% Coinsurance
- Comprehensive Coverage
- Extended Accumulation Triggers at 20% of Retention (\$100,000)
- Agreement Period 1/1/15 – 12/31/15

Traditional Coverage		Primary Pulmonary Hypertension				ReAlign 365	
		Svc Start	Svc End	Services	Paid		
2015 Traditional Coverage Accumulation: \$491,250 Reinsurance Recovery: \$0		1/7/15	1/7/15	Professional	\$3,500	2015 ReAlign 365 Extended Accumulation: \$629,600 Reinsurance Recovery*: \$116,640	
		1/2/15	1/2/15	RX Drugs	\$1,000		
		1/17/15	1/17/15	Outpatient	\$14,700		
		1/27/15	1/27/15	IP Hosp	\$26,000		
		2/2/15	2/2/15	RX Drugs	\$2,000		
		2/19/15	2/19/15	Professional	\$5,000		
		2/19/15	2/19/15	IP Hosp	\$13,000		
		3/2/15	3/2/15	Professional	\$9,000		
		3/16/15	3/25/15	IP Hosp	\$15,600		
		4/9/15	4/9/15	Outpatient	\$29,250		
		4/10/15	4/16/15	IP Hosp	\$15,750		
		4/17/15	4/17/15	Professional	\$4,500		
		4/19/15	4/19/15	RX Drugs	\$1,350		
		4/17/15	4/17/15	Outpatient	\$3,500		
		4/21/15	4/21/15	HHC	\$1,800		
		4/21/15	4/21/15	AMB	\$700		
		5/17/15	5/17/15	RX Drugs	\$4,600		
	9/10/15	10/14/15	IP Hosp	\$80,000			
2015	10/14/15	12/31/15	IP Hosp	\$260,000	2015		
2016 Traditional Coverage Accumulation: \$292,050 Reinsurance Recovery: \$0	2016	1/4/16	1/4/16	AMB	\$350	2016	
		1/4/16	1/30/16	IP Hosp	\$95,000		
		2/5/16	2/5/16	RX Drugs	\$1,000		
		3/1/16	3/1/16	Professional	\$7,000		
		3/25/16	4/8/16	IP Hosp	\$35,000		
		4/8/16	4/15/16	IP Hosp	\$17,500		
		7/9/16	8/31/16	IP Hosp	\$130,000		
		9/2/16	9/2/16	Professional	\$5,000		
		9/12/16	9/12/16	RX Drugs	\$1,200		

\$119,050  
Trigger Threshold Exceeded  
4/9/2015

\$629,600  
End of Extended Accumulation Period

## EXAMPLE 2:

### Coverage Summary:

- \$1,000,000 Retention, 90% Coinsurance,
- Inpatient Only Coverage
- Extended Accumulation Triggers at 20% of Retention (\$200,000)
- Agreement Period 1/1/15 – 12/31/15

Traditional Coverage		Premature Baby – Long Hospitalization				ReAlign 365	
		Svc Start	Svc End	Services	Paid		
2015 Traditional Coverage Accumulation: \$760,000 Reinsurance Recovery: \$0	2015	10/12/15	10/29/16	IP Hosp	\$200,000	2015	\$200,000 Trigger Threshold Exceeded 10/29/15
		10/30/15	11/29/16	IP Hosp	\$280,000		
2016 Traditional Coverage Accumulation: \$870,000 Reinsurance Recovery: \$0	2016	11/30/15	12/31/16	IP Hosp	\$280,000	2016	2015 ReAlign 365 Extended Accumulation: \$1,600,000 Reinsurance Recovery*: \$540,000
		1/1/16	2/5/16	IP Hosp	\$300,000		
		2/5/16	3/5/16	IP Hosp	\$150,000		
		3/5/16	4/5/16	IP Hosp	\$130,000		
		4/5/16	5/5/16	IP Hosp	\$120,000		
		5/5/16	5/18/16	IP Hosp	\$60,000		
		5/21/16	5/24/16	IP Hosp	\$15,000		
		7/16/16	7/18/16	IP Hosp	\$20,000		
		8/8/16	8/15/16	IP Hosp	\$35,000		
		10/10/16	10/12/16	IP Hosp	\$10,000		
		11/22/16	11/26/16	IP Hosp	\$20,000		
		12/2/16	12/4/16	IP Hosp	\$10,000		

\$1,600,000  
End of Extended Accumulation Period

\*Reinsurance Recovery = (Extended Accumulation – Deductible) \* Coinsurance  
 Example 1: \$116,640 = (\$629,600 – \$500,000) \* 90%  
 Example 2: \$540,000 = (\$1,600,000 – \$1,000,000) \* 90%

## ABOUT SUMMIT RE

Summit Re is an insurance and reinsurance program administrator for Zurich American Insurance Company. Working with health insurers, managed care plans, provider groups, integrated care organizations, and self-funded employers throughout the US, we help our clients analyze and manage risk to protect their financial stability.



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