

Employee FAQs for benefits enrollment



Keeping employees fully informed about their choices is essential to a successful benefits enrollment. These frequently asked questions often arise when employees are choosing their benefits. The answers can give your employees the information they need to select the plan that's best for them.

How do I know which benefits to select?

Think about the expenses you might face in the coming year, as well as your financial circumstances and family health history. Your Aflac benefits advisor can help you develop a personalized plan that's right for you.

How are claims paid?

By submitting a claim, you're asking your insurer to pay benefits based on the terms of your plan. Once your claim has been reviewed and approved, you – or your doctor, dentist or hospital – will receive payment.

What are out-of-pocket costs?

Out-of-pocket medical costs are expenses you must pay that are not covered by insurance. Examples include deductibles, coinsurance and copayments.

What is a deductible?

A deductible is the dollar amount you have to pay before your insurance kicks in. For example, if your deductible is \$2,000, you must pay all medical expenses out of pocket up to that amount.

If you own an Aflac policy, your cash benefits can be used to help pay your deductible and any leftover medical bills, the mortgage or rent, utilities or other expenses you may have. They're your benefits, so you can use them your way.



How many chances do I have to reach my deductible?

A deductible doesn't need to be reached in the course of one medical event, but can be accumulated over multiple events during the course of a year.

Do I have to hit my deductible every year?

In order for your insurance to kick in, you must hit your deductible — but there's no penalty for not reaching it. One thing to know: If you consistently fail to reach your deductible, you should look into other plans that may be more beneficial for you.

Do copayments count toward meeting my deductible?

It varies depending on your insurance plan, but most plans do not count copayments as money spent to meet your deductible. Check with your health insurance provider to find out the requirements of your plan.

What's the difference between coinsurance and a copay?

Coinsurance is the percentage of your medical bill that you have to pay after you've reached your deductible, while a copay is a flat amount that must be paid. Some health plans have either coinsurance or a copay, while others may have neither or both. For example, if you have a \$1,000 hospital bill and your coinsurance is 20 percent and your copay is \$100, you would pay \$300: 20% coinsurance = \$200 plus \$100 copay. Your insurance company would cover the remaining \$700.

If you have Aflac, your cash benefits can be used to help pay your deductible, your portion of coinsurance, your copay or any other expenses you may have. It's up to you.

How is an out-of-pocket maximum different than a deductible?

A deductible is the amount you need to pay before your insurance kicks in, while an out-of-pocket maximum is the most you would have to pay out of pocket during a single year. After you reach your out-of-pocket maximum, your insurance will cover 100 percent of all expenses, including copays or coinsurance.

What is a flexible spending account?

A flexible spending account, also known as an FSA, allows you to set untaxed money aside for out-of-pocket medical expenses like deductibles, copays, coinsurance, prescription drugs and more. Because FSAs contain only pretax dollars, they are a great way to save money on health care-related expenses. To fund your FSA, you'll take a certain pretax dollar amount out of each paycheck to keep in a savings account that's used only for medical expenses. Most FSAs require all of the money in the account to be used by the end of the year or it will be lost. Talk to your employee benefits administrator for more information.

Is an FSA the best option for me?

This option is best for those with consistent, larger health care expenses. If you're young and healthy, an FSA may not be the right choice for you. But if you have an ongoing condition or anticipate upcoming medical expenses, an FSA can help cover out-of-pocket expenses that may not be covered by your existing insurance plan, like copays, deductibles and even prescription costs.

Is an FSA in addition to health insurance or an alternative to health insurance?

An FSA could be both. Some employers offer to contribute to an FSA account in lieu of health insurance, or you can sign up for an FSA to cover out-of-pocket costs not covered by your existing insurance plan.

What are ancillary benefits?

Ancillary benefits are types of insurance offered in addition to employer-sponsored health plans. Most often they include dental, vision and life insurance.

What are supplemental benefits and do I need them?

Supplemental benefits are types of insurance policies that pay you cash benefits to help cover expenses that may not be covered by your health insurance, like:

- ▶ Dental
- ▶ Vision
- ▶ Life
- ▶ Accident
- ▶ Hospital
- ▶ Cancer
- ▶ Short-term disability
- ▶ Long-term disability
- ▶ And more

Supplemental insurance complements your health insurance coverage, and also offers you full control over which benefits you have. The cash benefits paid by supplemental plans can help protect your financial future, giving you the funds you need to pay your bills in the event you have a covered accident or illness.

Do I have to choose an insurance plan during benefits enrollment? What happens if I don't?

You don't have to enroll in your employer's plan. But in general, coverage offered by employers is less expensive than coverage purchased through the health care market.

If you miss benefits enrollment, there may be certain qualifying events that allow you to enroll outside of your approved enrollment window, like getting married, divorced or gaining a dependent. Otherwise you must wait until next year's benefits enrollment period to apply for insurance.

I'm already on my spouse's or family member's insurance plan. Can I still apply for supplemental insurance with my employer?

Yes. You are able to apply for supplemental insurance – or any other insurance for that matter – even if you are already covered on a spouse's or family member's plan. However, unless you've gotten married, divorced or gained a dependent, you can only sign up for health insurance plans during benefits enrollment.

Can I cancel my insurance?

You can cancel your health insurance at any time by contacting your provider by phone or online. Once again, unless you've gotten married, divorced or gained a dependent, you can only sign up for health insurance coverage during benefits enrollment, so make sure to time your cancellation right and have other insurance coverage ready so you continue to be protected.

Need answers to more employee questions? Contact your Aflac benefits advisor or check out our open enrollment toolkit for more information.



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