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2019/2020 CERTIFICATION TRAINING GUIDE

\$0 premium. The broadest network in Medicare Advantage.
The only plan to give members money and control of their own care.
So many reasons to become certified with Lasso Healthcare MSA.



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Lasso Healthcare MSA Certification

You'll be ready to sell our MSA in just three easy steps.

Thank you for your interest in Lasso Healthcare MSA (Medicare Medical Savings Account), the most innovative product choice in Medicare Advantage (MA). With a set of features unique to MA plans, the MSA supports informed and engaged consumers to control their health and care in a financially-responsible manner. Be ready to offer this consumer-friendly plan to your clients, and become a Lasso Healthcare-appointed agent today in three steps:



Complete a Lasso Healthcare MSA contract.



Complete the 2020 AHIP Medicare Compliance training.



Review this training and pass our certification exam with a score of 85% or better within 3 attempts.

After reviewing this training booklet, please refer to your certification email for a link to the certification exam. If you would like to further review or discuss the material, please contact us or your upline. Our Broker Support Unit can be reached at 1-800-918-3859.

Medicare MSA Plans

What is an MSA? Fiscally-responsible flexibility and choice.

MSA stands for Medical Savings Account. MSAs are one type of Medicare Advantage (MA) plan that the Centers for Medicare and Medicaid Services (CMS) partners with private insurance companies to offer. MSAs combine a high deductible health plan covering Medicare A/B expenses with an IRS-approved trust/custodial savings account. They operate on four basic principles:

1

The plan deposits money into the member's medical savings account.

2

The member decides what health services to spend the funds on, and/or saves or invests the funds for future health needs.

3

The plan pays any Medicare-covered (Parts A & B) services once the member reaches their plan deductible amount.

4

Funds remaining at year-end belong to the member and roll over to the next year.

An MSA offers a combination of features unique to MA. It's the only Medicare product that gives the member money, and that money can potentially grow over time. It's also non-network, so members can receive services from any Medicare-participating provider accepting new patients. And, the funds can be used tax-free on any IRS-deemed Qualified Medical Expense (QME), enhancing overall coverage.

MSA vs Other Medicare Advantage Plan Types

\$0 premium, an initial deposit and the broadest network in MA.

Many plan types existing in both MA and commercial insurance, such as HMO, PPO and POS, function similarly in both spaces. However, there is no direct comparison for MSAs — MSAs do not exist outside of MA. HSAs (Health Savings Accounts) are the closest commercial comparative, but significant differences do exist, with the main difference that MSA members cannot make contributions to their custodial savings account like HSA members can. Here are some key ways the MSA differs from major MA plan types:

Medicare Advantage	HMO	PPO	MSA
Network Access	Limited and gated	Broad, with flexibility of out-of-network option	Broadest, all of Medicare-participating providers
Premiums	Low (you pay for lower MOOP)	Mid to high	\$0 (by law)
Cost Sharing	Low or no OOP	Higher cost sharing	100% member up to deductible and then 100% insurance past deductible
Max Out of Pocket (MOOP) / Member Responsibility Costs	Lowest \$3,000-\$4,000 (varies by premium)	Normally at regulatory max of \$6,700	Equivalent MOOP = (deductible - deposit) \$4,180 - \$6,180 (2019) \$4,160 - \$6,160 (2020)
Deposit in Medical Savings Account (per yr)	\$0	\$0	\$2,520 (2019) \$3,240 (2020)

As the MSA is an MA plan, it is **not** a type of Medigap plan and differs significantly. CMS regulations require agents marketing an MSA to follow the Medicare Communications and Marketing Guidelines (MCMGs). Also, MSA plans are filed on a calendar year basis and can change every year.

6

Lasso Healthcare Insurance Company

2019-2020 Agent Certification

The Trust/ Custodial Savings Account

Administered by Optum Bank, but the member makes all the decisions.

Let's cover the trust/custodial savings account portion first. Lasso Healthcare has partnered with Optum Bank, a market leader in health savings and spending accounts. When enrolling, the applicant will apply to open the savings account in addition to enrollment in the health plan; both our electronic and paper enrollment kits contain both enrollment materials for ease.

Once CMS sends us the member funds and the member's savings account is established, Lasso Healthcare will deposit the funds early in the member's effective coverage period. The deposit amount is the same for every plan design/region. The deposit amount is prorated based on when coverage begins, and is prorated the same amount as the deductible. The monthly prorated amount is \$210 for 2019 and \$270 for 2020. The table below shows the number of prorated months to be applied, based on the effective month:

JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
0 mos.	1 mo.	2 mos.	3 mos.	4 mos.	5 mos.	6 mos.	7 mos.	8 mos.	9 mos.	10 mos.	11 mos.

Here are two examples, assuming a 2020 full-year deposit of \$3,240:

Jan 1 enrollment:

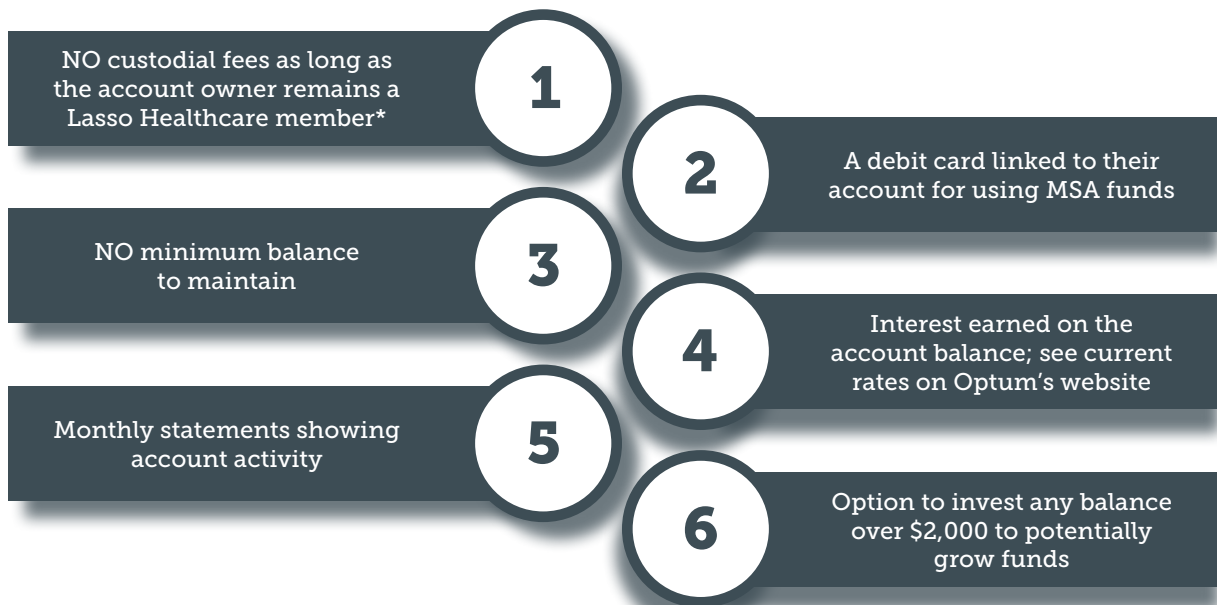
$$\$3,240 - (\$270 \times 0 \text{ mos.}) = \$3,240 \text{ deposit}$$

Aug 1 enrollment:

$$\$3,240 - (\$270 \times 7 \text{ mos.}) = \$1,350 \text{ deposit}$$

If a member leaves the plan prior to December 31, the prorated portion of the current year's deposit amount is owed back to Lasso Healthcare. If a member renews with Lasso Healthcare, that new year's deposit amount is added to their savings account. Keep in mind that the deposit amount (full year and prorated) may change annually.

Members cannot make contributions to their savings account. Once the first deposit has been made to their Optum Bank-administered savings account, the member is free to move the funds, subject to a transfer fee, to their choice of financial institution. Optum Bank provides these benefits to Lasso Healthcare members:

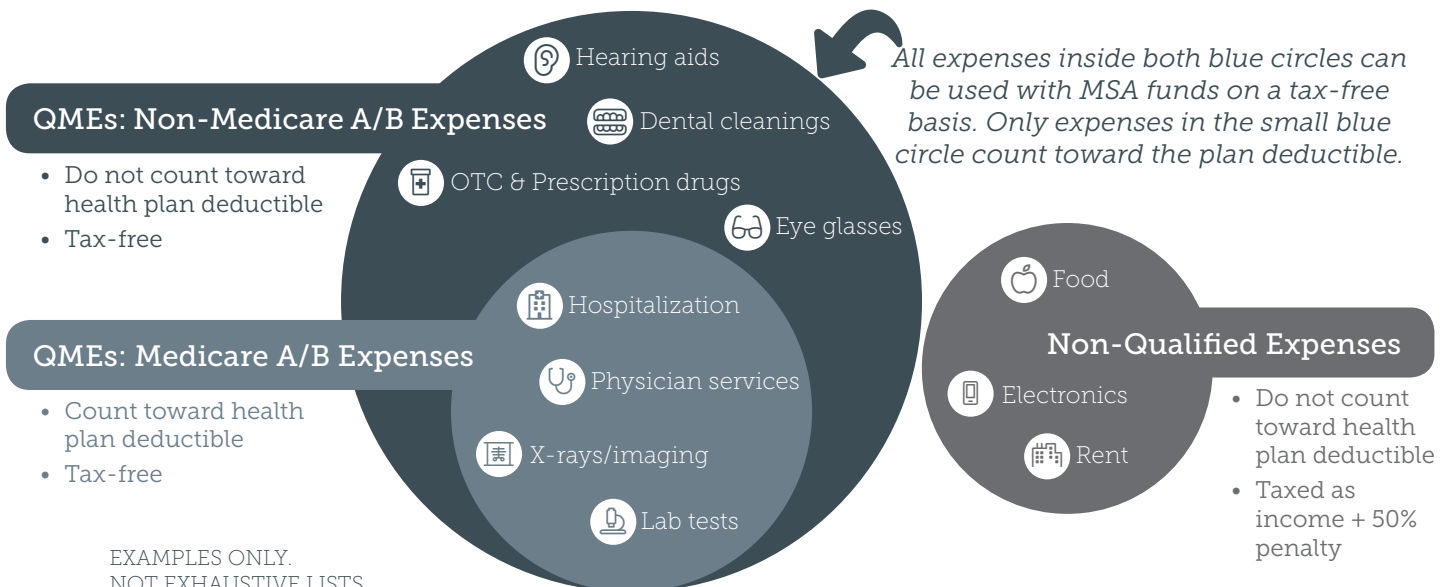


**Monthly maintenance fees will be charged if the account holder is no longer a Lasso Healthcare MSA member; alternatively, the account holder can transfer funds to a custodian of their choice, subject to a transfer fee.*

Using the MSA Funds

Members can spend, save and/or invest their MSA funds.

MSA funds can be used for any expense, medical or otherwise, but there are special rules on what expenses count toward the plan deductible and how they're taxed. Qualified Medical Expenses (QMEs) are defined by the IRS or Internal Revenue Service. All Medicare A/B expenses are QMEs, but not all QMEs are Medicare A/B expenses. Therefore, not all QMEs count toward the health plan deductible, even though MSA funds spent on any QMEs is tax-free. See IRS publication 502 for a complete list of expenses deemed as QMEs.



EXAMPLES ONLY.
NOT EXHAUSTIVE LISTS.

What Can the Deposit Really Cover?

The deposit amount stretches farther than you might think.

Per Medicare's most frequently used procedures and costs, the Lasso Healthcare MSA plan deposit amount covers many common services...multiple times over:



Existing Patient Dr Visit
\$22 - \$148



New Patient Dr Visit
\$22 - \$210



Joint Aspiration/Injection
\$62



Dermatology Biopsies
\$68 - \$114



Eye and Cataract
\$104 - \$656



Ambulance
\$436



Colonoscopy-related
\$352 - \$437



Emergency Room
\$889

Unused MSA Funds



MSA funds are not “use it or lose it.”

Generally speaking, once deposited, MSA funds belong to the member.

Remain in the plan until the end of the calendar year

As long as the member stays in the plan until December 31, any unused funds from the current year’s deposit amount belong to the member and roll over to the next year. If the member then renews with Lasso Healthcare, the new year’s deposit amount is added to their account in early January; this is one way members can grow their money over time.

If the member stayed in the plan through December 31, but does not renew with Lasso Healthcare, all MSA funds in the account belong to and are retained by the member. They can keep the funds in their Optum Bank account, subject to a monthly maintenance fee, or can move the funds to a custodian of their choice, subject to a transfer fee. Contact Optum Bank for current fee amounts.

Leave the plan during the calendar year

If a member leaves during the calendar year, they owe a portion of that year’s deposit back to Lasso Healthcare, regardless if they have the funds in their savings account or not. The member retains any unused funds accumulated from previous years, and has the same option to keep the funds in their Optum Bank account with a monthly maintenance fee or move funds to a bank of their choice with a transfer fee.

Tax Implications of the MSA

MSAs offer tax advantages unique to Medicare Advantage.

MSA account funds have a triple tax advantage:



If a member uses MSA account funds, in any amount and for any reason, during the year, he/she will receive a Form 1099-SA from Optum Bank by January 31 of the following year. The member must also include IRS Form 8853 when they file their taxes; both Forms 8853 and 1040 must be filed, even if the member is not otherwise required to file an income tax return.

In summary, IRS Form 8853 is only needed when a member used MSA funds during the year. For more information, members should speak with their tax advisor and review IRS Publications 969 and 502.

The High Deductible Health Plan



Our coverage is simple...we cover the same as Medicare covers.

Premium

By law, MSA plan premium is \$0. As with all MA plans, the member must continue paying their Medicare Part B premium.

Coverage

All additional Medicare A/B services are covered 100% after the member reaches the plan deductible.

Deductible

The deductible amount is prorated based on when coverage begins, and is prorated the same amount as the deposit. Only Medicare A/B services count toward the plan deductible. The member pays the lesser of the actual charges or 100% of the Medicare Fee for Service schedule. Deductible amounts vary by our three plan designs: \$6,700, \$7,700 and \$8,700 for 2019 and \$7,400, \$8,400 and \$9,400 for 2020.

No Network or Contracted Providers

By law, MSA plans cannot restrict clinical access for its members. Members are free to see any provider they choose, but will get the most value from their plan by selecting Medicare-participating providers.

Member Responsibility

An MSA does not have a “maximum out of pocket” as defined by CMS. We use a term called “member

responsibility,” which equals the deductible minus the deposit. Because both the deductible and deposit are prorated by the same amount for any partial-year enrollment, the member responsibility does not vary by month/is the same no matter when the enrollment occurs: \$4,180, \$5,180 and \$6,180 for 2019 plan designs and \$4,160, \$5,160 and \$6,160 for 2020 plan designs.

We covered how the deposit amount works earlier in the Trust/Custodial Savings Account section. Let’s put the deposit information together with the deductible and member responsibility portions for a more complete look at the plan design. The table below shows the number of prorated months to be applied to the deposit and deductible, based on the effective month:

JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
0 mos.	1 mo.	2 mos.	3 mos.	4 mos.	5 mos.	6 mos.	7 mos.	8 mos.	9 mos.	10 mos.	11 mos.

Here are the two previous examples, assuming a 2020 full-year deposit of \$3,240, and adding a plan design/region 1 deductible of \$7,400:

Jan 1 enrollment:

$\$3,240 - (\$270 \times 0 \text{ mos.}) = \$3,240 \text{ deposit}$
 $\$7,400 - (\$270 \times 0 \text{ mos.}) = \$7,400 \text{ deductible}$
 $\$7,400 - \$3,240 = \$4,160 \text{ member responsibility}$

Aug 1 enrollment:

$\$3,240 - (\$270 \times 7 \text{ mos.}) = \$1,350 \text{ deposit}$
 $\$7,400 - (\$270 \times 7 \text{ mos.}) = \$5,510 \text{ deductible}$
 $\$5,510 - \$1,350 = \$4,160 \text{ member responsibility}$

Press and hold down the Ctrl key (Option key on Mac) while clicking the link to open [Appendix A](#) for full deposit, deductible and member responsibility matrices by enrollment month for our three plan designs.

Accessing Care with the MSA

The MSA works like any other MA plan with zero copay/coinsurance.



1. Show the Lasso Healthcare MSA Member ID card

Plan members should not show their Medicare card. Members should tell the provider to file the claim with Lasso Healthcare. It's important the provider files the claim with us, even if the member has not yet met their deductible so we can a) ensure the claim is paid at no more than the Medicare-approved amount and b) help track the member's progress to deductible.



2. Do not pay a copay/coinsurance

Copays or coinsurance are not due at time of service in most instances.



3. Receive an EOB from us

We process the claim and determine coverage. We mail Explanation of Benefit (EOB) statements, showing the coverage decision, progress toward deductible and any amount owed to the provider, monthly to the member.



4. Receive an invoice from the provider

The provider sends a bill to the member for their portion of the claim. The amount due should match the amount shown on the member's EOB, if the provider is Medicare-par.






5. Pay the provider

Members can use MSA funds, out-of-pocket monies or a combination of both. Remember, we pay 100% of any additional Medicare A/B services after reaching the deductible.

Seeing Providers with the MSA

MSA funds are maximized by seeing Medicare-par providers.

With no plan network, members are free to see any provider they choose. However, there are some special considerations regarding providers to understand.

Medicare...	 REQUIRED TO SEE MEMBER?	 SERVICE CHARGES	 PLAN HANDLING
Participating	Yes, if accepting new patients	Capped to 100% Medicare FFS rates	Charges count towards deductible
Non-participating	No	Can balance bill, where allowed by state law, up to limiting charge	Excess charges not reimbursed by Plan, and do not count towards deductible
Opt-out	No	Billing is not limited by CMS	Charges not reimbursed by Plan, and do not count towards deductible

Members will get the most financial value out of the Lasso Healthcare MSA plan by choosing Medicare-participating providers.

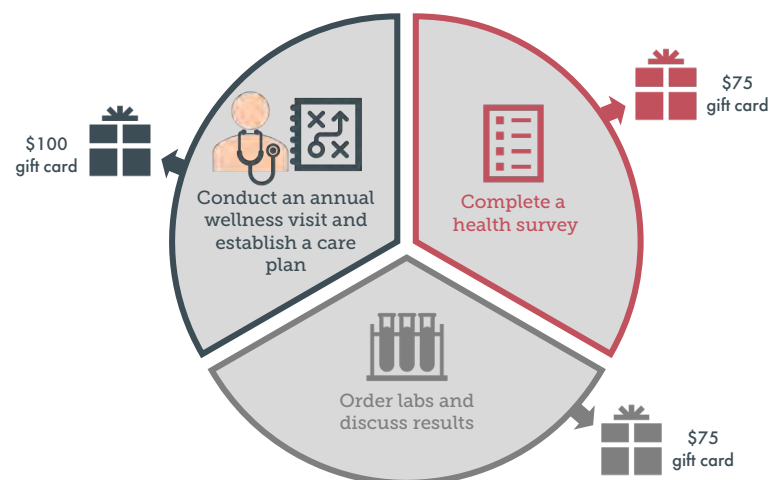
Preventive Services

Smart preventive care with our *For Your Health* incentive program.

Nearly all MA plans cover preventive services, such as annual wellness visits, mammograms and cancer screenings, with no cost sharing. However, as MSAs are the only plan type to provide members a deposit, preventive services are not covered prior to reaching the plan deductible amount. Members are able to use their MSA funds on preventive services tax-free, and those services count toward their plan deductible.

As Lasso Healthcare believes in the importance of seeking preventive care, we offer members our *For Your Health* program to assist in smart preventive care. Completing a series of preventive-focused activities allows members to earn their choice of gift card rewards from major brands like Amazon, Home Depot, Target, Walmart and more, or a Visa® prepaid card*.

The graphic to the right shows an overview of the *For Your Health* program:



*Entities mentioned are not affiliated with Lasso Healthcare, and are not endorsers and/or sponsors of the For Your Health program. Some restrictions apply. See our program terms and conditions for more information. Program subject to change without notice.



Prescription Drugs & Ancillary Coverage

MSAs offer flexibility to choose prescription drug/ancillary coverages.

Prescription Drugs

By law, MSAs may not cover Part D drugs. Those enrolling in an MSA may choose any Medicare Prescription Drug Plan (PDP) available in their area. The MSA does cover Part B prescription drugs, such as those administered in a provider's office. MSA funds cannot be used to pay the PDP premium, but can be used tax-free on the PDP plan copays, coinsurance and deductibles (not counting toward the MSA plan deductible).

Other Ancillary Coverage

CMS regulations prohibit members from obtaining or using other insurance covering the Medicare-covered expenses portion of the MSA plan deductible. However, members can purchase additional limited benefit policies for non-covered items/services such as vision, dental, long-term care and more.

For these separate, limited benefit policies, members can use MSA funds, tax-free, to pay for plan items such as coinsurance and deductibles; those payments just won't count toward their MSA plan deductible. Please note MSA funds cannot be used to pay the premiums for limited benefit policies, except for long-term care policies where regulations allow MSA funds to be used.

Maximizing Value & Health with the MSA

A game plan helps members get the most out of their MSA plan.

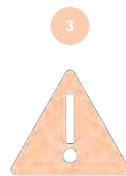
With just a little discipline, the flexibility of the Lasso Healthcare MSA plan can be harnessed so members get the most financial value...and better health...from their plan.



1
Establish a plan to cover the member responsibility portion of health costs



2
Manage health – 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



MSA Enrollment Eligibility

Eligibility requirements for MSA enrollment differ from other MA plans.

All of the following must be true in order to enroll in the Lasso Healthcare MSA:

- Enrolled in both Medicare Parts A and B
- Not eligible for Medicaid (i.e., not dual-eligible)
- Live in the Lasso Healthcare MSA service area
- Reside in the US for 183 or more days during the calendar year
- Not have other coverage that covers the MSA plan deductible, including benefits under an employer or union group, TRICARE, the VA or FEHBP
- Not currently receiving Medicare hospice benefits
- Not have end-stage renal disease, unless the member was enrolled with an MA plan that left Medicare and hasn't yet joined another MA plan

Timing of MSA Enrollment & Disenrollment

Times to enroll in/disenroll from MSAs differ from other MA plans.

Enrollment in an MSA plan is generally for a full calendar year, unless certain exceptions are met.

<i>Medicare Periods</i>	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 pre birth month + 3 months post birth month	3 months following ICEP	Varies
Enroll in MSA?	Yes	No	Yes	No	No
Coverage Effective	Jan 1	N/A	<i>3-1 mos. prior</i> = first day of entitlement month <i>Birth & 1-3 mos. post</i> = first day of month after completed enrollment form received	N/A	N/A
Disenroll from MSA?	Yes	No	N/A	No	Yes, but limited

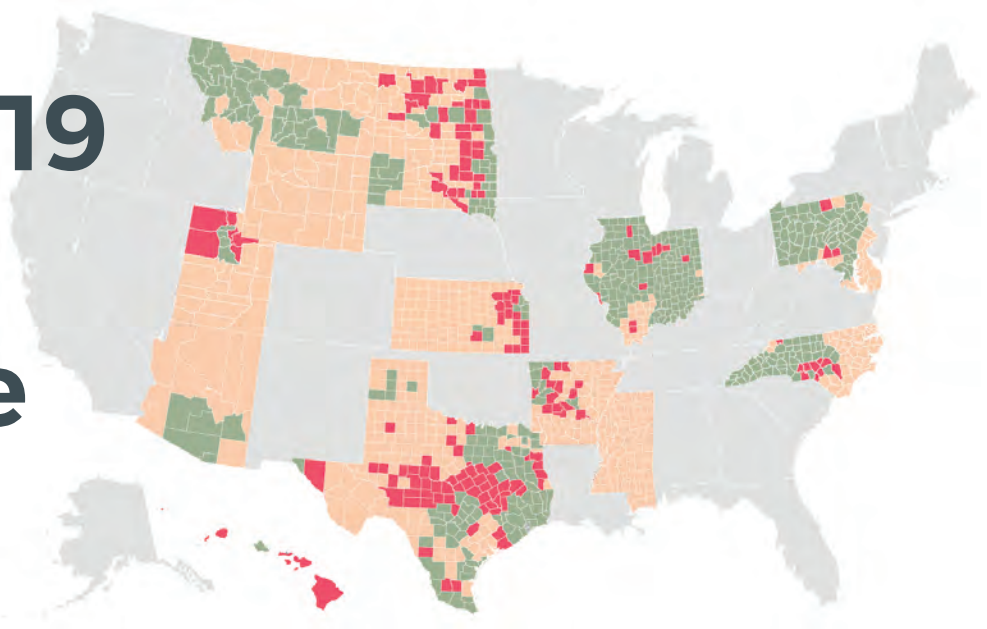


In summary, MSA enrollment is limited to AEP and ICEP. SEP cannot be utilized for MSA enrollment. OEP cannot be utilized for either MSA enrollment or disenrollment. Disenrollment is limited to AEP and a select set of SEP circumstances shown below:

- 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

CMS extends a special accommodation to first-time MSA enrollees who enroll during AEP. These “MSA-first-timers” are allowed to change their mind and disenroll from an MSA by December 15...after the AEP enrollment window has ended. Keep in mind if they disenroll after December 7, their only option is to return to Original Medicare.

Our 2019 MSA Service Area

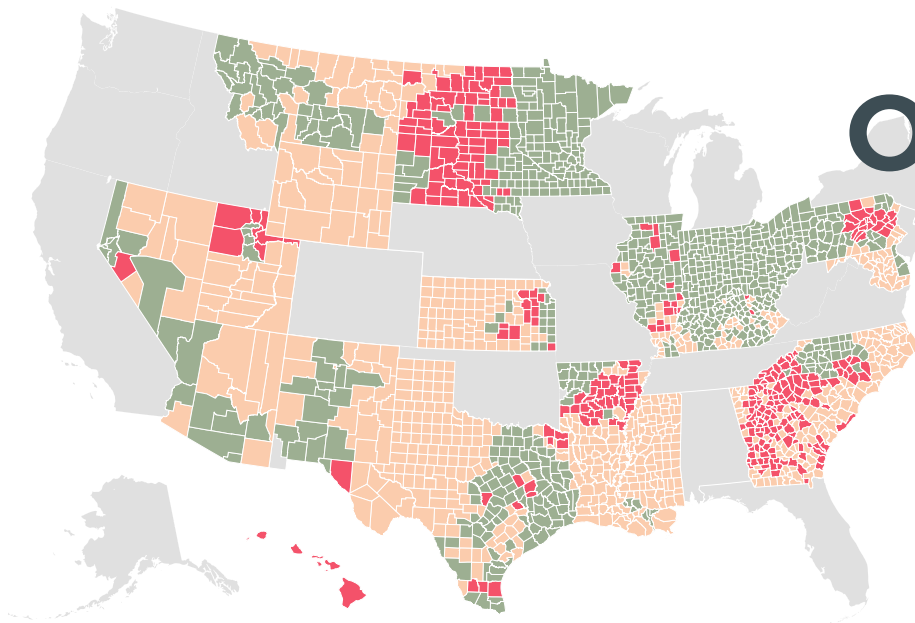


The most expansive MA plan launch in 2019.

Lasso Healthcare launched its MSA plan in 17 states in 2019. Each county of the initial 17 states (AZ, AR, DE, HI, IL, IN, KS, MD, MS, MT, NC, ND, PA, SD, TX, UT and WY) was assigned one of three Lasso Healthcare MSA plan benefit designs or regions.

Region 1		Region 2		Region 3	
Deposit	\$2,520	Deposit	\$2,520	Deposit	\$2,520
Deductible	\$6,700	Deductible	\$7,700	Deductible	\$8,700
Member Responsibility	\$4,180	Member Responsibility	\$5,180	Member Responsibility	\$6,180

Press and hold down the Ctrl key (Option key on Mac) while clicking the link to open [Appendix B](#) for Service Area and Region Details for 2019 and 2020.



Our 2020 MSA Service Area

An unprecedented second-year expansion to 26 states plus D.C.

Lasso Healthcare is expanding its 2020 MSA plan offering to another 9 states plus Washington, D.C., for a total of 26 states plus the District of Columbia. Again, each county in every covered state is assigned one of three regions. Residents in these new locations (GA, KY, LA, MN, NV, NM, OH, RI, SC and DC) can have coverage effective dates starting January 1, 2020. Any 2019 Lasso Healthcare MSA plan members staying with Lasso Healthcare for 2020 may see a change in their 2020 region/plan benefit design — which region a particular county is in can vary by plan year.

Region 1		Region 2		Region 3	
Deposit	\$3,240	Deposit	\$3,240	Deposit	\$3,240
Deductible	\$7,400	Deductible	\$8,400	Deductible	\$9,400
Member Responsibility	\$4,160	Member Responsibility	\$5,160	Member Responsibility	\$6,160

Press and hold down the Ctrl key (Option key on Mac) while clicking the link to open [Appendix B](#) for Service Area and Region Details for 2019 and 2020.

Our Supporting Materials



Helping you help your clients.

Lasso Healthcare provides a variety of tools and materials to help you share the Lasso Healthcare MSA with your clients. Here are some proposed materials to be available for 2020 AEP:

- Electronic product presentation
- “Leave behind” document
- “MSA 101” video series
- Business reply cards
- Event/group meeting and general ads (proposed formats are newspaper, printed flyer, Facebook, Google AdWords, billboard and radio)
- Social media posts/content
- Enrollment kits (scope of appointment form, pre-enrollment checklist, application and summary of benefits)

While we grow our selection of shared marketing materials, please contact your FMO if there are additional materials you’d like to see made available. For “do-it-yourself (DIY)” marketing, we will have preapproved images and messages available for your use, along with our brand guidelines and submission/review process established the summer of 2019, so stay tuned for further information. All “DIY” materials must receive our approval prior to use.

Enrolling Your Clients

Applicants can enroll via electronic, fax or mail channels.

Before you present the Lasso Healthcare MSA, the prospective member must complete a Scope of Appointment form (included in the enrollment kit and also available at LassoHealthcare.com). Retain this form, as it must be made available to Lasso Healthcare upon our request.

If the prospect chooses to enroll after you present the Lasso Healthcare MSA product, they can use one of three methods to submit their enrollment request:

Electronic



- Direct the prospect to LassoHealthcare.com, where they can self-enroll using your National Producer Number (NPN).
- Both the Optum Bank MSA Account application and the Lasso Healthcare MSA enrollment form are available electronically.

Paper via Fax



- Fax the completed Optum Bank MSA account application and the Lasso Healthcare MSA enrollment form to 1-888-638-6943.

Paper via Mail



- Mail the completed Optum Bank MSA account application and the Lasso Healthcare MSA enrollment form to:
Lasso Healthcare MSA
Attention: Enrollment
P.O. Box 60690
Harrisburg, PA 17106-0690

Lasso Healthcare Insurance Company is a new and growing Medicare-market health insurer based in Dallas, Texas. Established in 2018, Lasso Healthcare launched its flagship Lasso Healthcare MSA plan to 17 states for Medicare Advantage coverage starting January 1, 2019. For coverage year 2020, Lasso Healthcare will offer an individual MSA plan to 26 states and Washington, D.C., with additional geographic and product line expansions also planned.



Lasso Healthcare Insurance Company
lassohealthcare.com



Confidential & proprietary to Lasso Healthcare