

Paylogix® Single Point Billing®

Frequently Asked Questions



This outline is intended to highlight topics and answer Frequently Asked Questions related to the Paylogix® Single Point Billing® service. This document is a guideline only. Please be sure to reference benefit program material or contact the benefit provider directly for specific program related questions.

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What is Single Point Billing®?

Single Point Billing® (SPB) involves the consolidation of multiple products from (potentially) multiple providers onto a single bill. It subsequently involves the receipt, reconciliation and breakout of the collected consolidated premiums by Paylogix®, with ensuing remittance to the respective providers. SPB offers the Employer relief from the administrative burdens incurred with handling deductions and bills for multiple benefit programs. A single payroll deduction can be made for each employee for any number of benefit programs. A single remittance can be made by the employer for any number of employees, and for any number of insurance providers.

What are the Advantages of SPB?

List bills for insurance are in essence aggregate bills of individual invoices for insurance products. Combined with eligibility and underwriting conformance, the complexities involved with calculating deductions and premiums due include age and/or salary banding, whether or not dependent coverage is included, the amount of coverage provided, employee terminations and new hires, coverage additions, increases, or reductions, and COBRA.

Invoice adjustments are rarely simple, even for a single product. Multiple product environments are more complex. Paylogix® offers a fully interactive environment for the viewing and manipulation of invoice data, to simplify the necessary adjustments. This enables the user to pay a balanced bill every time, in addition to documenting and reporting the necessary information that effects or changes the enrollment status. A simple personnel change such as employment termination can be automatically applied to all products and providers for that employee, thereby significantly reducing the administrative activity required of an

employer. Since all data is available 24/7, the client may access the site to report changes outside of the regular billing interval as well.

Premium remittance to Paylogix® is offered in the format most convenient to the Employer. Data transfer is typically in an established protocol with the Provider. Paylogix® acts as a "black box" translator, providing a simple user-defined interface to both the Employer and the Provider, while performing complex tasks at a cost savings to both. Secure access to account data via the Internet affords real-time access to an array of self-service tools and reports.

How does the Billing Process Work?

The billing recipient receives an e-mail notice of the availability of an online invoice, rather than receiving a hardcopy list bill or diskette. The e-mail contains a hyperlink to the client's interactive list bill, where all necessary changes can be easily accomplished. Instead of marking-up or indicating remittance differences on printed billing statements, Paylogix® on-line billing allows the recipient to point-and-click these alterations, quickly resulting in a balanced statement. Reporting and account balancing functions are infinitely faster in this single interactive environment for multiple benefit programs. Electronic payment options help to further reduce the time and expense necessary to complete the traditional bill paying process.

SPB administration enables the Employer to reduce the number of incoming billing statements that need to be handled, as well as the number of checks to be issued. A per employee subtotal for the combined benefits in which that employee is participating drastically simplifies the payroll deduction and premium payment process.

What Security Measures are in Place?

Security is a primary concern of on-line consumers. On the Paylogix® system, the client is granted access via secure means. Each user has a unique User ID and Password. A Change Password utility allows the authorized user to

edit his or her password. The site also has a VeriSign™ Secure Server ID. All information sent to this site, if done within our normal SSL (Secure Sockets Layer) session, is fully encrypted (128 bit domestic) further protecting against disclosure of sensitive information to third parties. Electronic fund transfer (ACH) authorizations are acknowledged with a confirmation/tracking ID. Paylogix® makes every effort to comply with the Health Insurance Portability and Accountability Act of 1996 (HIPAA).

What are the Available Remittance Options?

Once the e-mail notification is received that an electronic statement is available, the client has the option to simply print the statement, reconcile it, and remit via regular mail, or to respond on-line using a completely paperless transaction, via electronic fund transfer from designated accounts. Or, the client may utilize the file transfer and export utilities to capture or exchange data files with Paylogix® to report deductions, contributions and remittance changes. The choice is theirs.

What Happens once Paylogix® Receives the Premiums?

Accurate billing and proper reconciliation are vital to timely payment processing with the benefit Providers. Once the Provider receives the payments, they are credited directly to the policy(ies). If a policy is not paid by the due date, a grace period begins, followed by policy lapse if premiums are not received within the grace period.

At Paylogix®, premium allocation is not an arbitrary administrative function. Every penny must be accounted for. A sophisticated system designed to orchestrate both simple and complex tasks supports the SPB process:

- *Billing statements are generated per Employer and Provider requirements.
- *Premiums are received and allocated per employee participation and deduction agreements.
- *Differences are resolved and reported to the appropriate Providers, along with final remittance and supporting data.
- *Changes are incorporated into the system for future billings, and the cycle is repeated.
- *When reconciling the billing, the employer

should provide an explanation for any variances. If the amount being remitted for an employee is greater than or less than the billed amount, an explanation of such is required.

Who is Paylogix®?

Founded in 1995, Paylogix® is a recognized leader in the premium billing services industry. Paylogix® currently administers the billing, collection, reconciliation and remittance for many prominent insurers and group providers throughout North America.

We pioneer and incorporate innovative technologies like our web-enabled billing system to provide cost-effective premium solutions and expert service to our clients. Both voluntary and group benefits can be presented in a secure interactive environment for a fast-to-pay electronic billing, offering a paperless and labor reducing transaction.

With our on-line services, we're taking business one step further in simplifying the process of paying and collecting premiums. In fact, we can eliminate the paperwork and check writing functions for the client entirely.

How do we get Started?

Accurate case set-up is essential to effective and efficient case administration. Initial problems can compound the complexities of future reconciliation, and compromise coverage. Upon case approval, Paylogix® requires the submission of a Client Data Form (attached) to properly set up each group. The form provides the following essential information:

- *Account contact information
- *Anticipated remittance frequency and corresponding coverage periods / deduction periods for each account location
- *Program participation and census data
- *Provider contact information
- *Anticipated start date

The standard for setting up a group once all required information has been received is 15 days. Additional time may be required to accommodate custom programming and file formats (up to 45 days, depending upon the complexity of the format). The sooner we become involved in the case set up process, the better!