



Family Monthly Budgeting



A Turn For The Better

A Better Way To Share The Cost Of Healthcare

Traditional health plans require that the entire annual deductible amount be paid by a member before the health plan will pay medical expenses. This could have a devastating financial impact on the member or cause the member to delay care, worsening their health.

The 90 Degree Benefits Family Monthly Budgeting Plans

The 90 Degree Benefits Family Monthly Budgeting (FMB) Plans spread the deductible evenly throughout the year. The FMB monthly amount is predetermined by the health plan and applies to the entire family. FMB reduces the deductible to a lower monthly budget-friendly amount. Once the monthly amount is met by the member, the health plan will cover 100% of allowable charges until the next month.

FMB is a smarter and time-tested way to address the budgetary needs of workers and their dependents while reducing claim utilization and rates, making patients better healthcare consumers, providing benefits and spreading risk over a broader segment of plan participants. The FMB concept originated in 1966, and has worked better than traditional plans for over 50 years.

Advantages for All

- ✓ **Lowers** patient financial responsibility, and results in lower claims cost to the plan
- ✓ **Richer** benefits or lower premiums with lower out-of-pocket exposure
- ✓ **Reduces** excess claims utilization by keeping members financially engaged through the year
- ✓ **Protects** a worker's budget with lower financial stress, supporting access to care earlier in the treatment cycle
- ✓ **Proven** track record of plan savings compared to traditional calendar year deductibles by a factor of 3:1

90 Degree Benefits' Family Monthly Budgeting (FMB) Plans spread the deductible evenly throughout the year.

Family Monthly Budgeting (FMB) vs. Traditional Calendar Year Deductible (CYD)

From a rating standpoint, the FMB plan with a deductible covering all eligible covered family members requires less premium to fund claims than a traditional plan with the same deductible amount accumulated throughout a calendar year for each member within a family (maximum of 3 per family): **Therefore, by using a the FMB concept, a plan can either provide more benefits at the current cost or equivalent benefits at lower premiums to employers, their employees and dependents.**

FMB vs. CYD Member Out-of-Pocket (OOP) Example

(Examples assume 100% Benefit after equivalent Deductible as shown above)

<i>Procedure within any Calendar Month^a</i>	Example Procedure Cost	90 Degree Benefits \$500 FMB Member OOP	Traditional \$2,000 CYD Member OOP
Normal Delivery with Sick Baby ^b	\$25,000	\$500	\$4,000 ^b
Food Poisoning Family of 3	\$20,000	\$500	\$6,000 ^c
Knee Surgery	\$25,000	\$500	\$2,000

^a If the episode of care spans more than one calendar month, the FMB deductible will apply in each month expenses are incurred, limited to the annual maximum OOP in the plan

^b Since the baby was a sick baby, both mom and baby had to meet the deductible

^c Emergency Room will collect three deductibles, one deductible per patient within the family unit

Consider This...

By offering a Family Monthly Budgeting (FMB) concept, a health plan can mitigate what could be described as destructive behavior when a family budget takes an unexpected financial hit. It creates hardship, frustration, turmoil and potential delays in treatment. If those expenses are large enough to relieve the patient of direct financial involvement for the balance of a plan year, there is little to deter unnecessary utilization: overutilization becomes an acceptable way to maximize the return on their premium investment in the plan. It becomes a battle between consumerism and human nature: human nature usually wins. The FMB keeps patients economically vested in making better decisions throughout the plan year and promotes risk management at a core level.



The Family Monthly Budgeting (FMB) concept is not a panacea, just one proven and tested idea to control cost and better manage trend in the cost of an employer-sponsored health plan!