

ProAmica

Innovative, self-funded healthcare



Healthcare Trusts



Contents

This guide describes how Healthcare Trusts are set up and the administration services provided by ProAmica Ltd.

For more details, call us on **0800 084 2589**.

ProAmica is from the Latin for 'Professional Friend'. As a client of ProAmica, you can count on us to set up the Trust and look after all aspects of running it for you.

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Introduction to ProAmica

ProAmica Ltd is a specialist Corporate Healthcare Trust administration company. We are part of the General & Medical Group of Companies who specialise in the expert provision of healthcare solutions. Drawing on over 25 years experience, you can be confident that we have the right answer for your corporate healthcare needs.

Working with a network of Brokers, Employee Benefit Consultants and directly with companies, ProAmica administers Corporate Healthcare Trusts for a diverse range of businesses. Our clients include a broad range of large and small companies, solicitors, IT companies, sports clubs and charitable groups.

A vital part of any Healthcare scheme is the medical treatment available to members when they make a claim. ProAmica has agreements with an extensive list of hospitals and medical facilities. ProAmica clients benefit from General & Medical's buying power for medical services, ensuring that treatment costs can be kept to a minimum.

Our success is built on the ability to administer Trusts and manage medical claims swiftly, efficiently and cost effectively. As a client of ProAmica you will be assigned a named Client Relations Co-ordinator who will look after all aspects of the running of the Trust, giving a personal level of service to all corporate clients.

All Client Relations Co-ordinators are medically trained and pass a series of exams so they are fully equipped to answer questions and help members with their claims.

Did you know?

- ✓ Unlike traditional healthcare insurance, Healthcare Trusts are not subject to Insurance Premium Tax - meaning you could benefit from an immediate cost saving.
- ✓ Every new ProAmica Trust will also benefit from our Health & Wellbeing services for free, providing your employees with free advice and support relating to general health and lifestyle issues.*

**These services are provided by Health Assured Ltd*

We do our part to help the environment by printing our documents in-house, enabling us to significantly reduce our paper waste.



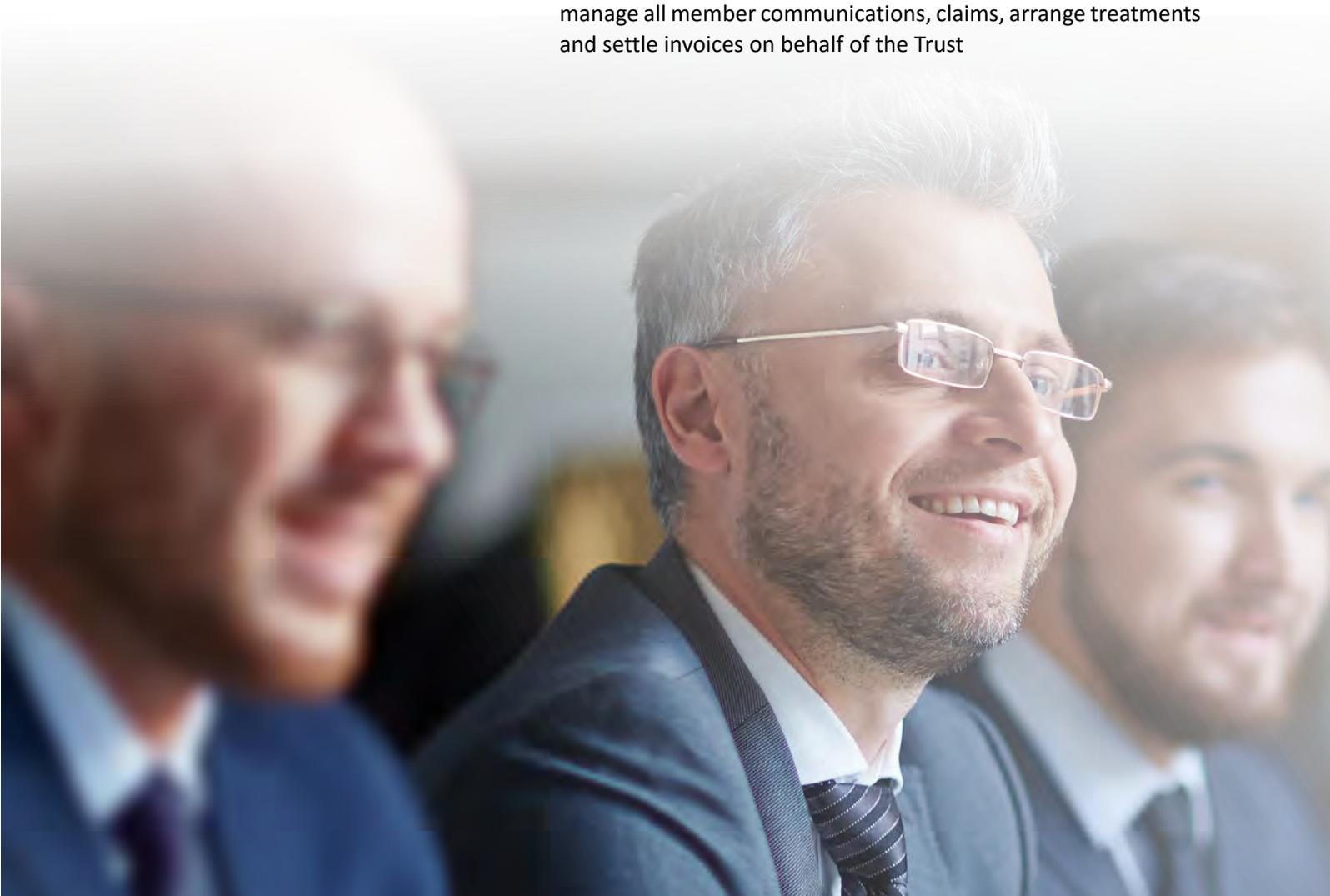
What is a Healthcare Trust?

Healthcare Trusts are the leading alternative to Private Health Insurance. They are proving increasingly popular with larger businesses and other organisations such as charities and sports clubs, who are looking for increased flexibility and greater cost control.

A Healthcare Trust is a way for employers to self-fund healthcare benefits for employees. If your business or organisation employs more than 100 staff, you should consider a Healthcare Trust as an alternative to Private Health Insurance.

Once the Trust is set up, the company makes payments or contributions to the Trust's own bank account. These funds are used to cover the costs of medical treatment for employees and the administration costs of the Trust. Unlike private health insurance, any surplus including interest earned, remains in the Trust under the control of the Trustees, to be used for future claims.

The day to day activities of Healthcare Trusts are usually managed by a specialist medical administrator, such as ProAmica, who will manage all member communications, claims, arrange treatments and settle invoices on behalf of the Trust



Advantages of Healthcare Trusts

Your success depends on you and your employees so it pays to look after your health and theirs. Healthcare benefits are seen as one of the most important ways of lowering employee turnover by providing a sense of security and the peace of mind that they will have access to the medical treatment they need, when they need it.

Healthier, happier employees means lower absenteeism, better productivity and staff retention.

You set the Rules

A Healthcare Trust from ProAmica, gives you complete control over the cover provided and the way your money is invested and spent. You have complete freedom to set the rules. You choose the parameters for cover and you can cap your exposure to certain claims rather than being bound by standard insurance criteria. As an employer you can offer exactly what you want in terms of Healthcare for your employees whilst securing the right treatment at the right hospital at the right price, as soon as it is needed.

You control the Costs

You can expect excellent quality of service and care yet, for a well run Trust scheme, the overall cost of providing employees with healthcare benefits should be lower and more stable than an insured scheme with similar benefit levels.

The cost of traditional insured schemes can easily rise by more than 10% year on year. This is driven partly by medical inflation but also by the insurance company's need to make a profit and cover their own costs.

Because trusts are not insurances they do not attract Insurance Premium Tax - an immediate cost saving. Any additional insurance services, such as stop loss insurance will, however, attract Insurance Premium Tax.

On average, overall savings when using a Trust can be up to 20% each year. Of course, the savings may be higher or lower than this depending on the size of the Trust and the cost of claims each year. But the costs under a Trust tend to become more predictable and stable as time goes on and trends emerge.

Controlling your costs

Cost Containment services - your service, your choice

ProAmica is part of the General & Medical group. Maximising its buying power so you can be confident of our ability to negotiate the best possible prices for planned treatment.

We place the emphasis on cost containment of medical fees whilst maintaining an excellent service for our clients. We aim to give access to the highest quality medical facilities and care, at the lowest cost possible.

We have long standing agreements in place with hundreds of Hospitals and medical facilities throughout the United Kingdom. Costs can vary dramatically for similar procedures (minor, intermediate, major, major plus and complex major) in neighbouring hospitals and even between consultants who have admitting rights to the same hospital facilities. Using our negotiating power and special relationships we can both facilitate treatment and keep your costs to a minimum.

ProAmica offers a menu based approach to cost containment services to meet the particular needs of each of our clients. We operate on the basis of a flat fee per procedure or diagnostic test with a sliding scale of fees according to the case complexity:

Network Access and Booking Service

This is our entry level cost containment service to give you the essential access to our hospital network in the United Kingdom. It means you can benefit from the cost savings of our agreed prices for coded procedures but a re-pricing service is also included. You will also have online access to our Hospital Finder tool and a web based reporting facility. Our Booking Service is our secondary level of cost containment. It provides all the benefits of the Hospital Network with the addition that we at ProAmica will intervene to arrange appointments or hospital stays for you to ensure that your clients are directed to a reputable but cost effective facility.

Managed Care

Our Managed Care Service provides the highest level of cost containment. Network Access and Booking Services are included as standard but in addition ProAmica will provide a full case management service. This means that we will exhaust every possible opportunity for cost containment over and above the reduced price tariffs we already have in place with facilities all over the United Kingdom. Where appropriate, ProAmica will seek to negotiate self pay prices, package rates, potential re-pricing and discounts for up front payment. Using our established relationships and expertise we will ensure the best, most cost-effective facilities are selected from a vast pool of providers.



Our Hospital Network

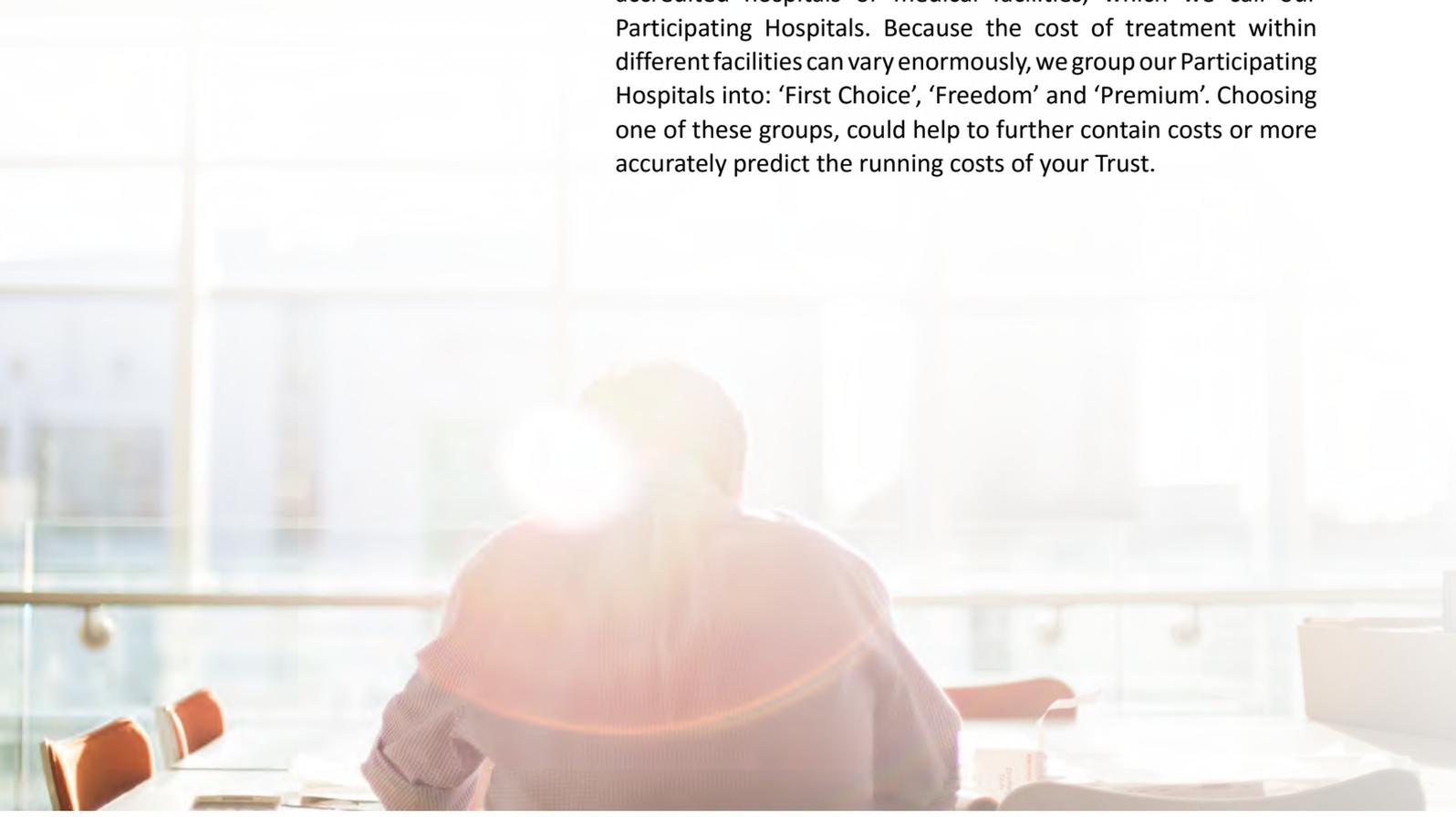
A Healthcare Trust from ProAmica gives you complete flexibility and the freedom to authorise treatment at any fully licensed and appropriately accredited hospital or medical facility. But ProAmica already has agreements in place with an extensive range of hospitals and medical facilities which we call our Participating Hospitals.

We have developed and maintained relationships with the majority of the leading national private hospital groups and the NHS private patient units, giving our clients access to the most modern facilities available in the United Kingdom. These relationships are key to maximising our coverage and maximising the choice available to our clients.

Most of the facilities provide a single private room with en-suite for in-patient accommodation, together with a choice of menus, flexible visiting times and other facilities consistent with a modern private facility. This gives clients the timely access, privacy and dedicated care and comfort they deserve.

To ensure that our Customers' experience remains first class, we regularly monitor their feedback on the hospitals and medical facilities in our listings. By actively managing our contracts with the hospitals, we work continually to improve the quality of care whilst keeping costs and premiums low.

ProAmica gives you complete flexibility and the freedom to authorise treatment at any of our fully licensed and appropriately accredited hospitals or medical facilities, which we call our Participating Hospitals. Because the cost of treatment within different facilities can vary enormously, we group our Participating Hospitals into: 'First Choice', 'Freedom' and 'Premium'. Choosing one of these groups, could help to further contain costs or more accurately predict the running costs of your Trust.



Choosing your benefits

You have the freedom to choose your own benefit levels or a standard set recommended by ProAmica. Here are just two standard examples.

In-Patients Benefits	ProAmica	ProAmica Plus	
Accommodation & nursing care, operating theatre & intensive care costs, diagnostics including MRI & CT scans, physiotherapy, surgeon & anaesthetist fees	✓	✓	
Radiotherapy, chemotherapy & treatment for cancer	✓	✓	
Psychiatry		✓	Maximum benefit per membership year of up to 35 days or £20,000 subject to terms and conditions.
Parent accompanying child accommodation charges	✓	✓	Up to £500 per membership year
Palliative treatment		✓	Up to £7,500 per membership year
Treatment for cardiovascular conditions	✓	✓	

Out-Patients Benefits			
Initial and subsequent consultation and specialist fees including diagnostics relating to & not relating to an in-patient admission	✓	✓	
Subsequent diagnostics inc MRI & CT Scans relating to & not relating to an in-patient admission	Total combined (including Therapies Benefit) £1500 per	✓	
Therapies Benefit inc: Physiotherapy / Complementary Medicine	Up to £500 per membership year	Up to £750 per membership year	
Radiotherapy, Chemotherapy & Treatment for Cancer	✓	✓	
Psychiatry		✓	Up to £1000 per membership year.
Treatment for Cardio-vascular	✓	✓	

Maternity Benefits			
Complication of Pregnancy		✓	
Maternity Benefit		£150 per child	Where available a 10 month waiting period applies
Private Maternity		✓	Where available a 12 month waiting period applies

Optical			
Consultations & Eye Tests		✓	Where available a 6 month waiting period applies.
NHS Charges		Optional	Where available a 6 month waiting period applies.

Cash Benefits	ProAmica	ProAmica Plus	
NHS Cash Benefit	✓	✓	Up to £7,500 per membership year. £250 per night
Life Cash Benefit	Optional	£1,000	£1,000 or £10,000 available
Personal Accident Cash Benefit	Optional	£1,000	£1,000 or £10,000 available
Critical Illness Cash Benefit	Optional	£1000 per year	£1,000 or £10,000 available

Dental Benefits	ProAmica	ProAmica Plus	
In Patient oro-surgical operations/procedures only	✓	✓	
Routine Consultations & Treatment		✓	Where available a 6 month waiting period applies.
NHS Charges		✓	Where available a 6 month waiting period applies.
Accidental Damage Cover		✓	Up to £1000 per membership year.

GP Services		
24 hour GP advice line	Yes	Yes
GP Minor Surgery		Optional
Private GP Services		Optional

Additional Benefits			
Stress Counselling helpline	Yes	Yes	
Home Nursing	Up to £1000 per membership year	Up to £1000 per membership year	
Private Ambulance		✓	Up to £500 per membership year
Monitoring of a pre-cured eligible condition		Up to £1500 per membership year	Where available a 48 month waiting period applies
Excess	Yes	Yes	Available per Month or per Year
Worldwide Travel Cover		Optional	
Pre-existing Conditions		Optional	From a specific list.
Employee Assistance Package	Optional	Optional	
Annual Overall Maximum Benefit per person	Optional	Optional	

✓ - Included / Full Refund In accordance with any Limits detailed within 'Your Certificate of Cover'

Tailor your Trust

ProAmica's personalised service sets the standards for the industry and is tailored to your needs.

After helping establish the benefit levels and any limitations under the Trust, ProAmica will deal with all aspects of the Trust administration on your behalf. From the very start, when we issue member documentation, we are on hand to help and advise your employees.

Our medically trained Client Relations Co-ordinators will answer any questions, advising members on the benefits available, how to make a claim and the processes involved. We will settle claims either direct to the Clinician or Hospital, or to the Trust member when they have already settled the invoice themselves.

Additional Services

Simply by providing a Corporate Healthcare Trust, your business could enjoy the benefits of lower staff turnover, lower absenteeism and better productivity. But to complement the Trust, General & Medical Healthcare offer a range of additional services for Trusts known as Trust Protect.

These include:

Employee Assistance - a complimentary support service for your employees helping them to deal with personal and professional issues covering a broad range of subjects. It provides members with immediate and free access to a telephone counselling and a Health & Wellbeing service that operates 24 hours a day, 7 days a week. For a small charge, Employee Assistance can be extended to include face to face counselling and a legal support service. These services are provided by Health Assured Ltd.

Trust Protect Stop Loss - an insurance that offers a degree of protection should the cost of claims on the Trust exceed by a fixed amount, the recommended funding level. The unexpected can happen so many Trusts choose to add Trust Protect Stop Loss.

Worldwide Travel Insurance - to cover members for an unlimited number of trips abroad as long as any single trip does not exceed 120 days. This includes cover for winter sports.

Cash Benefits - to provide a cash benefit should members die from any cause, suffer personal accident or be diagnosed as suffering from a critical illness. Cash benefits of either £1000 or £10,000 are available and cover is provided for Trust members between ages 21 and 60.





Administration services

ProAmica's personalised service sets the standards for the industry and is tailored to your needs.

After helping establish the benefit levels and any limitations under the Trust, ProAmica will deal with all aspects of the Trust administration on your behalf. From the very start, when we issue member documentation, we are on hand to help and advise your employees.

For example, we will:

- ✓ Our medically trained Client Relations Co-ordinators will answer any questions, advising members on how to make a claim and the processes involved.
- ✓ Issue claim forms for the member and their GP or clinician.
- ✓ Process completed claim forms, assessing eligibility within the agreed benefit levels of the Trust. Where necessary, ProAmica will request additional medical reports to clarify any areas of doubt about the eligibility of the claim.
- ✓ Authorise treatment to go ahead when a claim has been accepted and advise members of any benefit limits applicable to their specific treatment plan
- ✓ Negotiate treatment plans and cost with hospitals and providers.
- ✓ Settle eligible claims at the end of each month. Payment will be made by cheque either direct to the Clinician or Hospital, or to the Trust member where they have already settled the invoice themselves.
- ✓ Give you access to your own secure area of our website, where you will be able to view up to the minute reports on how your Trust is performing.



Our Service Promise

This service promise outlines the level of service all clients can expect from ProAmica and General & Medical.

Customer Service

All Trust members will be assigned a named Client Relations Co-ordinator or team to deal with their claims and general enquiries. All our Client Relations Co-ordinators undergo comprehensive training in medical claims handling.

Communication & Documentation

Trust membership documentation will be sent within 7 working days after the Trust is set up. Emails will be acknowledged within one working day and written correspondence will be acknowledged within 2 working days of receipt.

Claims Management

Claim forms will be dispatched the same working day that they are requested, if received before 2.30pm. When a claim is finalised, a payment will be issued to the provider of services at the end of the relevant month. If a Trust member pays a provider direct, a payment will be issued as reimbursement within 5 working days of us receiving the relevant eligible invoices from the Trust member.

Complaints

Complaints are taken seriously. All clients and Trust members will be advised of our complaints procedure on joining the Trust or any General & Medical scheme. All complaints will be acknowledged within 2 working days of receipt.

Treating Clients Fairly

Every effort is made to ensure all aspects of our service to clients are carefully considered, so that all clients are treated in an equitable and fair manner.

Setting up a Healthcare Trust

ProAmica has the flexibility and expertise to help you choose the right Healthcare Trust option for your business. Setting up a new Trust is straightforward, but it cannot be done overnight, so it is wise to plan well in advance (guided by ProAmica throughout).

Client Owned Trust

This is the most popular option for larger companies. You own the Trust and retain the services of ProAmica to set up and administer the Trust on your behalf. You will be able to influence the rules of the Trust and choose appropriate benefit levels for your employees. ProAmica will ensure that the Trust has approval from HM Revenue and Customs.

Administration Only

This is for you if you already have your own established Trust and you are looking for the specialist services of ProAmica to run the day to day activities of the Trust for you. Alternatively, you may wish to replace an existing administration company with the proven administration expertise of ProAmica.

The main steps to setting up a Healthcare Trust are:

- Drafting Trust deeds and rules
- Nominating Trustees
- Appointing ProAmica as the Administrator
- Employment contract checks
- Setting up a dedicated company trust bank account
- Agreeing communications between you and ProAmica
- Choosing benefit levels

The benefit levels chosen will have a significant impact on the size of the claims fund needed. ProAmica will work with you to define the benefit levels best suited to your needs and budget. We will recommend appropriate funding levels and suggest options for keeping costs down.

ProAmica Client Relations staff are closely involved throughout to ensure a straightforward transition from any previous healthcare arrangements you may have.

To satisfy HM Revenue and Customs, a Corporate Healthcare Trust has to meet these main conditions:

- Payments into the Trust must be linked in a structured way, to each member
- Each member must have the right to a specified benefit
- Trustees have no powers of discretion over a benefit after it has been declared to be available to members
- Payments made into the Trust must remain beyond the control of the payer
- The Trust may not be wound up until all obligations to pay eligible benefits have been met

A Trust that meets these conditions is not considered to be a form of insurance and so there is no liability for Insurance Premium Tax (IPT).

The administration and legal services provided by ProAmica are subject to VAT. But medical costs are not normally subject to VAT so, under normal circumstances, the Trust will buy those services free of VAT.

The Trust is established in such a way that it is unlikely to give rise to an Inheritance Tax liability if employees are not making contributions themselves.

Your payments into the Trust are allowable as a normal business expense and are subject to National Insurance Contributions, similar to the way in which premiums for Private Medical Insurance are treated. This is based on our understanding of current tax law which may, of course, change in the future.

Trust Deeds and Rules

The deed and rules is a legal document in the name of the Trust which details the powers and duties of the Trustees, benefit levels, eligibility and funding levels. ProAmica has standard Trust documentation, prepared by specialist lawyers. We will advise you on how to structure the Trust for your own needs and how to appoint Trustees.

Benefit Levels

The Rules of the Trust govern the benefit levels available to members. The benefit levels chosen will have a significant impact on the size of the claims fund needed. ProAmica will work with you to define the benefit levels best suited to your needs and budget. We will recommend appropriate funding levels and suggest options for keeping costs down. You have the freedom to choose your own benefit levels. Whatever you decide, we will be able recommend appropriate funding levels to cover the cost of potential claims.

Trustees

A minimum of two Trustees are appointed. Provided ProAmica is appointed as the specialist administrator, the responsibilities of the Trustees are minimal and largely confined to ensuring that funding is received into the Trust Bank Account.

Trust Bank Account

A Trust Bank Account is set up to hold the funds that are usually transferred into it monthly from the parent company or association.

Fees

There is an initial fee for establishing a new trust, which will vary depending upon the complexity and time involved in setting up the trust. Of course, this does not apply if you already have a Trust in place and you are simply appointing ProAmica as your specialist administrator. The only other fee payable to ProAmica is a monthly fee to cover the day to day costs of administering the Trust. This is usually a flat fee for each adult member of the Trust. Each Trust is different so the monthly fee will vary from client to client.

Online reporting

As a client of ProAmica you will have continuous access to management information, through a secure online log-in. As well as itemising details of members covered, it allows you to view payments made to providers of service.

Communication to Members

ProAmica can produce company branded information packs for distribution to Trust members. We also recommend a presence on your intranet or company website so that your employees have round the clock access to full details of their healthcare arrangements.



The General & Medical Group of Companies

General & Medical were established during the 1980's initially providing Finance and Insurance services to the professions within the UK. The company has its main offices in Peterborough, Cambridgeshire and London with further administrative offices in Guernsey.

The Group has continued to evolve and has consistently exceeded targeted growth year on year. We could not have achieved this without responding to the market, listening to our customers and developing products and services to meet their needs and exceed their expectations.

As a Health Insurance specialist, all of our attention is focussed on providing compelling healthcare solutions and building on solid foundations, we continue to grow steadily. Our customers have peace of mind, knowing we will be here when they need us.

Never compromising customer service or stability for our existing customers, we look to the future, continually developing innovative products and services.



More about Healthcare Trusts

If you would like more information on Healthcare Trusts or other products offered by ProAmica or the General & Medical group, please contact us or visit our website via the information below:



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www.fca.org.uk



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