USOC Mission

To support U.S. Olympic and Paralympic athletes in achieving sustained competitive excellence while demonstrating the values of the Olympic Movement, thereby inspiring all Americans.

USOC’s Healthcare Goal:
To support sustainable health for athletic performance
Elite Athlete Health Insurance Program (EAHI)
What We’ll Cover Today

1. Healthcare Benefits & Services Offered to Elite Athletes Today
2. EAHI & Current Regulatory/Compliance Issues
3. EAHI Working Group & Objectives
4. Next Steps
## USOC Provided Healthcare Benefits & Services

<table>
<thead>
<tr>
<th>Benefit or Service</th>
<th>Who’s eligible?</th>
<th>Who determines eligibility?</th>
<th>Location of Program/Service</th>
<th>Cost to Athlete</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sports Medicine Clinics</td>
<td>Athletes whose access has been granted via High Performance Plans</td>
<td>NGBs and USOC Sport Performance</td>
<td>Lake Placid Colorado Springs Chula Vista</td>
<td>No charge</td>
</tr>
<tr>
<td>Games Medical Support</td>
<td>Athletes competing in the Games</td>
<td>USOC</td>
<td>At Games site</td>
<td>No charge</td>
</tr>
<tr>
<td>Medical Insurance – EAHI</td>
<td>~900 Elite Athletes</td>
<td>NGB and/or USOC (Para)</td>
<td>National footprint</td>
<td>No charge</td>
</tr>
<tr>
<td>Travel Insurance – MEDEX by UHC</td>
<td>~900 Elite Athletes</td>
<td>NGB and/or USOC (Para)</td>
<td>International footprint</td>
<td>No charge</td>
</tr>
<tr>
<td>Life Insurance – The Standard</td>
<td>~900 Elite Athletes</td>
<td>NGB and/or USOC (Para)</td>
<td>International footprint</td>
<td>No charge</td>
</tr>
<tr>
<td>National Medical Network</td>
<td>EAHI Athletes (eligible vs. enrolled)</td>
<td>NGB and/or USOC (Para)</td>
<td>National footprint</td>
<td>Varies</td>
</tr>
</tbody>
</table>
Medical Insurance

Elite Athlete Health Insurance (EAHI)

EAHI is a medical insurance plan offered to Team USA’s elite athletes and funded by the USOC.

Key Information

- Major medical plan/PPO covering preventative care, primary and specialist care, emergency/hospital services, therapy and rehab, behavioral health, diagnostic, and prescription/Rx services
- National footprint
- Administered by Highmark Blue Cross Blue Shield via sponsorship
- ~900 elite athletes + 200 spouse/dependents currently enrolled; up to 1,300 total in year
- Athlete eligibility determined by NGB criteria and approved by USOC
- ~65 NGBs/Para sports represented
- Enrollment and termination of services occurs monthly
- Key Contact: Viola Cruz
# EAHI Premium

## Current Costs to the Athlete

<table>
<thead>
<tr>
<th></th>
<th>Benefit Value</th>
<th>Paid by Athlete</th>
<th>Monthly Taxable Amount</th>
<th>Annual Taxable Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Athlete Only</td>
<td>$401.87</td>
<td>$0</td>
<td>$401</td>
<td>$4,822</td>
</tr>
<tr>
<td>Athlete + Child</td>
<td>$803.73</td>
<td>$100</td>
<td>$703</td>
<td>$8,444</td>
</tr>
<tr>
<td>Athlete + Spouse/Partner</td>
<td>$803.73</td>
<td>$110</td>
<td>$693</td>
<td>$8,324</td>
</tr>
<tr>
<td>Athlete + Family</td>
<td>$1,470.42</td>
<td>$120</td>
<td>$1,350</td>
<td>$16,205</td>
</tr>
</tbody>
</table>
Coordination of Benefits

Sport Injury Deductible

Sport Accident Insurance is insurance provided by each NGB to cover healthcare or medical expenses that arise from acute injuries incurred at NGB sanctioned training or events (i.e., National Championships, Selection Trials, World Cups, Grand Prix, training camps, etc.).

Key Information

- $25,000 sport injury deductible
- Administered by each NGB and the selected provider
- The first $25,000 of medical expenses from a sanctioned sport accident is coordinated through the NGB’s sport accident policy and is processed and paid according to its respective policy
- Key Contact: NGB representative
Travel Health Insurance
MEDEX by UHC

The USOC has partnered with MEDEX to offer coverage for medical assistance while traveling.

Key Information
• Automatic coverage to athletes enrolled in EAHI
• 100+ miles from place of residence
• 24/7/365 emergency medical assistance for athletes only
• Emergency medical evacuation, assistance with filing claims
• Repatriation
• Travel assistance services (i.e., interpreters, passport assistance, etc.)
• Ability to purchase additional services for athletes and dependents at discounted rates
• Key Contact: Viola Cruz
Life Insurance
The Standard

The USOC provides a $10,000 life insurance policy at no cost to EAHI enrolled athletes.

Key Information
- The maximum benefit pay-out is $10,000
- The Standard is the administrator
- Athlete must designate beneficiary on enrollment form
- Key Contact: Viola Cruz
The Continuance Plan is offered to athletes enrolled in EAHI who, for a qualifying reason, roll off EAHI. It is a temporary plan - up to 12 months of continued coverage from date of termination.

Key Information
- Only offered to athletes enrolled in EAHI
- Athlete responsible for full monthly premium
- Plan is identical to EAHI and is administered by Highmark Blue Cross Blue Shield
- 60 days from termination date to elect coverage
- Costs will increase to full premium costs + minor admin fee in July 2015 for continuance plan participants
- Key Contact: Viola Cruz
USOC National Medical Network

Summary

The National Medical Network provides medical care to athletes through partnerships with top-tier medical providers in the U.S. with proven expertise in sports medicine, usually at little cost to the athlete. This program is sponsored by the USOC.

Key Information

- Offered to EAHI eligible athletes
- Coordinates with athlete’s insurance (EAHI, other insurance plans)
- In 2014, NMN serviced 601 athletes from 48 NGBs
- In 1Q15, NMN serviced 197 athletes from 28 NGBs
- Key Contact: Cory Warner, USOC, 800-933-4473, ext. 2
USOC National Medical Network
NMN Partners

National Medical Centers
   Steadman Philippon Research Institute and The Steadman Clinic – Vail, CO
   Hospital for Special Surgery – New York, NY

Regional Medical Centers
   Colorado Center of Orthopedic Excellence – Colorado Springs, CO
   Memorial Hospital, part of University of Colorado Health – Colorado Springs, CO
   Adirondack Health – Lake Placid, NY
   Lake Placid Sports Medicine – Lake Placid, NY
   Allegheny Health Network – Pittsburgh, PA
   UC San Diego Health System – San Diego, CA
USOC National Medical Network

Services & Capabilities

- **Injury & illness assessments** for both acute and chronic conditions
- **Some vision services** such as contacts
- By partnering with GE healthcare on cloud based electronic health record system, access to **medical records globally** which promotes coordination and continuity of care
- **Access nationally** to Chiropractors, Physical Therapists, Psychiatrists and Dentists which includes the fabrication of custom mouth guards
**Elite Athlete Health Insurance Program (EAHI) Regulatory & Compliance Background**

EAHI is a medical insurance plan offered to Olympic/PanAm/Paralympic sports elite athletes and funded by the USOC.

**Regulatory & Compliance Information**

- Not a group health plan (no employer-employee relationship)
- Not association plan (no member-purchased plan from licensed insurer)
- Not governed by ERISA (Employee Retirement Income Security Act) or COBRA
Patient Protection and Affordability Care Act

Individual Mandate

ACA Individual Mandate – Why is this important now?

- **Effective January 2015 for tax year 2014**, US tax payers must have minimum essential coverage (MEC) health plan, and tax payers must “check a box” on 2014 tax return affirming MEC coverage in 2015
  - Consequence: Tax penalty assessed to the individual if mandate is not met
- **Effective January 2016 for tax year 2015**, employers and insurance carriers must provide individuals with proof of MEC, and tax payers must provide “proof of MEC” with 2015 tax returns
  - Consequence: Tax penalty assessed to the individual if mandate is not met
EAHI
The Key Issue Related to ACA

For 2014 & 2015, USOC is unable to communicate to EAHI participants that plan meets MEC because it is not:

- Government sponsored program (e.g., Medicare, TRICARE)
- Employer-sponsored plan
- Health plan offered in the individual market within a state
- Grandfathered health plan
- Plan considered under the category of “Other health benefits coverage” per the Secretary of Health and Human Services guidelines (such as a state health benefits risk pool)

The USOC engaged the Department of Health & Human Services to ensure Team USA athletes will not have to pay a tax penalty* when filing their 2014 tax returns. Conversations are ongoing for the 2015 plan.

*2014-2015 tax penalty formula is in the appendix c
Compliance Priorities

Completions - 2014
1. Applied for MEC status with no changes to plan for 2014
2. Received permission for athletes to receive hardship exemption for 2014, without MEC status

Overall Goals to Accomplish with DHHS - 2015
1. No personal tax penalties for athletes in 2015 and going forward
2. Approval of MEC status for 2015 plan
   – State Benchmark is Wyoming
3. USOC investment is neutral
4. Timing: anticipate 45-60 days of negotiations before an initial decision is issued.
EAHI Working Group  
March – July 2015  

Purpose  
Discuss and formulate strategies for maintaining EAHI budget for 2015, following USOC activities to bring the 2015 EAHI plan into MEC compliance.

Timeline  
Expected length of commitment is through July 2015 with the following benchmarks:  
- April 30: group formation & education  
- May 24: athlete survey  
- June 10: expected initial decision from DHHS/CMS on MEC designation  
- June 30: final recommendations from Working Group  
- July 15: related communications to participants

Working Group Members  
- AAC: Catherine Norman Raney  
- NGBC: Darrin Steele  
- USOC: Katie Baker, Viola Cruz, Desiree Filippone, Walt Glover, Kristen Hudson, Eric Marsh, Julie Miller, Tara O’Connor, Pam Sawyer, Cory Warner  
- External Experts: Mike Lewkowitz/Ashley Patterson-HMBCBS, John Peck-Wells Fargo
## EAHI & MEC
### Communication Plan

<table>
<thead>
<tr>
<th>Date</th>
<th>Message</th>
<th>Mode</th>
<th>Audience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feb. 11-12</td>
<td>2014 hardship exemption announcement + FAQs</td>
<td>Email; hard copies</td>
<td>~1300 athletes</td>
</tr>
</tbody>
</table>
| Feb. 12-18 | 2014 hardship exemption announcement + FAQs                    | Email         | 1. AAC leadership  
                          2. NGB reps with direct responsibility for EAHI  
                          3. USOC leadership  
                          4. USOC sport performance managers/EAHI team |
| Feb. 23    | General update                                                  | Conf. Call    | NGB Council                                                              |
| March 13   | General update                                                  | In-Person     | USOC Board of Directors                                                  |
| May 16     | General update                                                  | In-person     | AAC                                                                     |
| On-going   | General update on 2015 monthly until final determination is issued | Email        | 1. 2015 EAHI enrolled athletes  
                          2. AAC/NGB/USOC leadership  
                          3. Sport performance managers  
                          4. NGB reps for EAHI          |
EAHI & NMN
Key Contacts, 800-933-4473 Hotline

Viola Cruz, EAHI
Benefits Manager for Employee & Elite Athletes
800-933-4473 ext. 3
eah@usoc.org

Cory Warner, NMN
Director, Sports Medicine Program Management
800-933-4473 ext. 2
nmn@usoc.org
Next Steps for USOC

1. Activate working group with USOC, NGB Council & AAC reps
2. Conduct gap analysis against Wyoming benchmark & re-submit 2015 plan and application
3. Engage in negotiations with DHHS over next 30-60 days
4. Engage governmental champions
5. Execute communication plan
Appendix A

ACA Government Agencies

On March 23, 2010, President Obama signed the Patient Protection and Affordable Care Act that put in place comprehensive health insurance reforms.

**HHS** – The Department of Health & Human Services is the government agency responsible for protecting the health of all Americans and providing essential human services, especially for those who are least able to help themselves. HHS is in charge of implementing health care reform.

**CMS** – The Centers for Medicare & Medicaid is an agency under HHS aimed at better care at lower costs and improved health for Americans through Medicare, Medicaid, the Children’s Health Insurance Program (CHIP), and the Health Insurance Marketplace. CMS makes ruling whether a plan meets minimum essential coverage.

**CCIIO** – The Center for Consumer Information & Insurance Oversight is an agency under CMS charged with helping implement many reforms of the ACA. CCIIO oversees the implementation of the provisions related to private health insurance. In particular, CCIIO is working with states to establish new Health Insurance Marketplaces. CCIIO works closely with state regulators, consumers, and other stakeholders to ensure the ACA best serves the American people. CCIIO administers the application process for plans requesting minimum essential coverage approval.
Appendix B
HHS Organizational Chart

Secretary
Deputy Secretary
Chief of Staff

Office of Secretary
Operating Divisions

Centers for Medicare & Medicaid (CMS)

Center for Medicare
Center for Medicaid
Center for Program Integrity
Center for Consumer Information & Insurance Oversight (CCIIO)
Appendix C
Individual Tax Penalties Per IRS

2014 - Individual penalty will be the greater of:

- 1% of yearly household income above tax filing threshold (~$10,000 for an individual is used to calculate penalty) or
- Maximum penalty is the national average premium for a bronze plan ($204/month or $2,448 per year per individual) or
- Flat $95 per person for the year ($47.50 per child under 18). The maximum penalty per family using this method is $285.

2015 - Individual penalty will be the greater of:

- 2% of the yearly household income or
- Maximum penalty is the national average premium for a bronze plan ($204/monthly or $2,448 annually) or
- $325 per person for the year ($162.50 per child under 18). The maximum penalty per family using this method is $975.
Appendix C
Tax Penalty Methodology

Without knowing athletes’ individual tax brackets, the below methodology was used in estimating tax penalties that EAH’s total population would incur for tax year 2014; 2015 would be higher.

1. Based on all participants (1,406) enrolled in EAH in 2014 and applying the national tax filing status’, single, married filing jointly (incorporated Family and Parent with Children) and head of household (into which two person and parent with child groups were incorporated) and the national percentages of which tax bracket each status falls into (10%, 15%, 25%, 28%, 33%, 35% & 39.6%), these figures were applied to the population resulting in the following breakdown:

<table>
<thead>
<tr>
<th>Tax Bracket</th>
<th>Individuals - % of USOC population and #</th>
<th>Family</th>
<th>Head of Household</th>
</tr>
</thead>
<tbody>
<tr>
<td>10%</td>
<td>26.11% - 315</td>
<td>9.9% - 18</td>
<td>19.8% - 5</td>
</tr>
<tr>
<td>15%</td>
<td>45.1% - 543</td>
<td>39.9% - 70</td>
<td>62.9% - 16</td>
</tr>
<tr>
<td>25%</td>
<td>23% - 278</td>
<td>28.3% - 50</td>
<td>14.9% - 4</td>
</tr>
<tr>
<td>28%</td>
<td>4.5% - 55</td>
<td>12.8% - 23</td>
<td>1.8% - 1</td>
</tr>
<tr>
<td>33%</td>
<td>.9% - 11</td>
<td>3.9% - 7</td>
<td>1.65% - 1</td>
</tr>
<tr>
<td>35%</td>
<td>0.00% - 0</td>
<td>1.2% - 3</td>
<td>.22% - 1</td>
</tr>
<tr>
<td>39.6%</td>
<td>.2% - 3</td>
<td>2.7% - 5</td>
<td>1.1% - 1</td>
</tr>
</tbody>
</table>

2. Taking the above tax brackets and the corresponding level of income associated with each bracket, income levels were randomly assigned to each athlete
3. Backed out the first $10,000 of income (this was not part of the calculation as stipulated above)
4. Applied the calculation methodology of the fine to each athlete
5. From the data, it was not known how many athletes were on the plan less than three months and therefore would incur no fine (there is a perception that a higher percentage of athletes would fall into lower tax brackets as opposed to the national average)
6. The range calculated is $495,000 - $502,000 and believe this represents the worst case scenario