

Primrose Schools Franchisee Health Plan FAQs

Primrose Schools Franchisee Cooperative Alliance / Primrose Schools Franchisee Health Plan

What is the PSFCA and do I have to join it to access the PSFHP?

The Primrose Schools Franchisee Cooperative Alliance (PSFCA, "the Alliance") is the legal entity established to collaborate on solutions to common operational challenges. The Primrose Schools Franchisee Health Plan ("PSFHP") was established to negotiate prices and develop programs with third-party suppliers and service providers for the collective benefit of the Alliance. As a member of the PSFCA, you are eligible to participate in the PSFHP.

Transition to the Primrose Schools Franchisee Health Plan (PSFHP)

When does coverage under the PSFHP begin?

The PSFHP went into effect on January 1, 2026.

What is the deadline to join the Alliance?

There is no deadline to join the Alliance. To join the Health Plan, follow the published dates on our [website](#).

What is the process for cancelling my current plan, and are there any penalties for ending coverage mid-term?

The process to cancel your current plan will depend on your existing carrier contract. In most cases, carriers will allow a mid-term termination without penalty if you are moving into the PSFHP, since it is considered a group health plan replacement. However, it's important to review your contract or check with your broker/carrier to confirm any requirements, such as providing written notice.

Can I join the Alliance now but start the PSFHP later? Will there be other opportunities to join the Alliance in later years?

To accommodate different renewal cycles and new memberships, the PSFHP will offer monthly enrollment opportunities each year. You may join the Alliance at any time; however, participation in the PSFHP is limited to these entry periods.

I have other businesses besides Primrose—can those employees be covered under this Plan?

If you own other businesses outside of Primrose, those employees generally are not eligible to join the Association Health Plan. However, if you also own a business that is closely aligned in nature—such as one in the education or childcare field—we may be able to review and include it under the Plan. This would be evaluated on a case-by-case basis to ensure it fits within the mission and structure of the Alliance.

If we transition to the PSFHP effective before our current plan year ends, will amounts already paid toward my deductible or out-of-pocket maximum under my current plan carry over?

No. When the PSFHP starts, everyone begins with a new deductible and out-of-pocket maximum, even if you've already paid some on your current plan.

If we transition from our current plan to the PSFHP mid-year, will benefits already used (e.g., \$1,200 of dental) be credited, or will benefit limits reset?

Dental will reset. This means if you've already maxed out the dental benefit, under your current plan, you'll receive a new benefit maximum when the PSFHP begins—you won't have to wait until your old plan's renewal date.

What will happen to participants currently on COBRA under our existing plan—will they remain with the current carrier or transition to the new plan?

When you transition to the PSFHP, your COBRA participants will also transition to the Health Plan. COBRA coverage follows the active plan offered by the employer, so once your school joins the PSFHP, both active employees and COBRA participants will be covered under the new plan.

Plan Design, Features and Benefits

Are there different levels of medical plans to choose from?

The PSFHP will offer medical coverage in four premium tiers—Bronze, Silver, Gold, and Platinum. Bronze serves as the base plan option, designed to provide essential coverage at the lowest premium. Silver, Gold, and Platinum are considered “buy-up” plans. This means employees (or employers, depending on your school’s contribution strategy) can choose to pay more in premium in exchange for richer benefits—such as lower deductibles, lower out-of-pocket costs, and enhanced coverage.

Does the Plan offer PPO, POS, or HMO options?

The PSFHP will offer a PPO (Preferred Provider Organization) plan. A PPO is a health plan that gives you more freedom to choose doctors and hospitals (in or out of network), without referrals and greater flexibility. Texas schools will be offered an HMO plan in addition to the National PPO plan. HMO plans in other states will be reviewed and added in future years.

Does the Plan offer a Health Savings Account (HSA)?

Yes. The plan includes HSA-eligible options. This allows participants to set aside pre-tax dollars to pay for qualified medical expenses such as deductibles, prescriptions, and certain healthcare services—helping lower overall out-of-pocket costs.

After we join Alliance, when are employees eligible to participate? When does eligibility end?

Employees of participating schools become eligible for benefits during annual open enrollment. New hires will be eligible on the first day of the month following 60 days of employment. If employment ends, benefits will continue through the last day of the month in which the termination occurs. (Life and Disability end as of the last day of employment).

Can participating employees make changes to their benefit elections during the plan year?

Employees may make changes if they experience a qualifying life event (such as marriage, divorce, birth/adoption of a child, or loss of other coverage). Outside of these life events, employees cannot add or drop coverage in the middle of the plan year.

Will COBRA coverage be offered under this Plan?

Yes. COBRA continuation coverage will be available under the Plan. This means that eligible employees and their dependents who lose coverage due to a qualifying event (such as termination of employment or reduction in hours) will have the option to continue their health coverage for a limited time, consistent with federal COBRA requirements.

Who administers qualifying life event changes and COBRA?

Qualifying life event changes and COBRA continuation coverage will be processed by our third-party administrator (TPA), American Benefit Services (ABS).

Will pre-existing conditions be covered under this Medical Plan?

Yes. All pre-existing conditions are covered under the Medical Plan. There are no exclusions or waiting periods related to prior health conditions.

What percentage of the medical premium must employers contribute for each participating employee, and why is the employer contribution set at 60%?

The requirement for owners to contribute at least 60% of the premium on the lowest-cost, employee-only plan ("Bronze Plan") is designed to ensure the Plan remains both affordable and compliant with the Affordable Care Act (ACA). By setting a consistent contribution level, we (a) promote affordability for employees so that coverage is realistically accessible to all eligible staff; (b) support ACA compliance; (c) strengthen the risk pool, as higher participation helps keep premiums more stable and competitive for all members. In short, this approach strikes a balance between protecting employees from unaffordable costs and ensuring the Plan is sustainable and compliant.

Am I required to offer Employer-Paid Life/AD&D?

Yes. Employer-Paid Life and Accidental Death & Dismemberment (AD&D) coverage is included as a standard requirement of the Plan to ensure full-time, benefit-eligible employees enrolled in the Plan have a basic level of financial protection. This benefit provides peace of mind by offering support to employees' families in the event of death or serious injury. Including this coverage also (a) creates consistency across all participating schools (b) helps make the overall benefits package more competitive and attractive for recruiting and retaining staff (c) allows the Plan to secure better group rates by bundling certain coverages together.

Am I required to offer Supplemental Insurance Coverage (e.g., Voluntary Life, Short/Long-Term Disability, Critical Illness, etc.)?

Yes. Offering supplemental insurance coverage is required. These benefits are voluntary and 100% employee-paid. Employees may choose to enroll in the options that best fit their needs, but there is no cost for the employer.

If we currently offer Supplemental Coverage that provides other coverages not offered under this plan (e.g., Cancer), can I continue to offer that as an option?

Yes. You may continue to offer additional supplemental coverages outside of the Plan. However, these policies must be direct-billed to the employee by the carrier. Premiums for these coverages cannot be collected through payroll deduction.

Can I offer an MEC (Minimum Essential Coverage) Plan as an additional option?

Yes. You may offer an MEC Plan in addition to the PSFHP plans if you choose. This can provide employees with another coverage option, as long as it meets applicable compliance requirements. In upcoming years, the PSFHP will evaluate and potentially add an MEC option.

I don't currently offer a health plan; my employees use the Marketplace and I pay a portion/flat dollar amount instead. What happens to these employees? Do they have to go on this plan if we join the Alliance and PSFHP?

Yes. Once your school offers coverage through the PSFHP, eligible employees must be offered this plan instead of receiving employer contributions toward Marketplace coverage. Employees are not required to enroll, but the employer's contribution must apply to the PSFHP—not to Marketplace plans. Further, employees are not eligible to receive premium tax credits or subsidies on the Marketplace. They can still choose to buy coverage through the Marketplace, but they would lose the tax breaks that lower their monthly cost.

Does this work with any other state-programs, like TexHealth?

Yes. The PSFHP can coordinate with certain state programs, such as TexHealth. This allows eligible participants to take advantage of state-supported benefits alongside their coverage under the PSFHP.

Open Enrollment / Ongoing Enrollment / Benefit Connector**How does Open Enrollment work? Is it online and automated?**

Yes. Open Enrollment will be managed online through Benefit Connector, our enrollment platform. The process is automated and user-friendly. To support you and your employees, we will also provide step-by-step online tutorials, written guides, and access to the PSFHP call center for personalized assistance.

I currently use my payroll system to allow employees to select their coverages. Can I use my payroll system? If not, what system do I use?

No. Employee elections will be managed through Benefit Connector, the PSFHP's online enrollment system. However, you can easily download a CSV file from Benefit Connector and upload it into your payroll system to keep employee deduction information current.

Is the Open Enrollment active or passive?

The 2026 and 2027 Open Enrollment windows will be active, meaning all eligible employees must make their benefit elections via the call center. After these enrollment windows, future Open Enrollments will be passive, so current elections will roll over automatically unless an employee chooses to make a change.

What is Benefit Connector and how does it work?

Benefit Connector is the online enrollment platform for the PSFHP. It allows employees to review benefit options, compare plans, and make their elections electronically. The system is designed to be user-friendly and efficient, eliminating paper forms and streamlining the enrollment process. In addition, as the TPA platform, American Benefit Services also (a) bills and collects premiums from franchise owners; (b) streamlines payment to all carriers; and (c) provides robust reporting tools for franchise owners.

When will I be trained on how to use Benefit Connector?

Training will be provided through live webinars for Franchise Owners. These sessions will walk you through how to navigate Benefit Connector, manage employee data (to include adding new hires and deleting terminations since your census was provided), and access reporting tools. Additional resources, such as user guides and recorded webinars, will also be available for ongoing support.

How do I add, terminate or make life event changes for employees? What will the operational process look like to enroll/terminate an employee? From the school's perspective and the employees perspective?

Training videos are available on the PSFCA website and provide detailed training on how to use the system for all updates. Video also demonstrates how to download invoices and access any necessary reports. In addition, the American Benefit Services Team will be available to support Franchise Owners with any processes where assistance is needed.

How does the billing process work?

American Benefit Services will send an email each month (on the 5th or closest business day) to the Franchise Owner contact with notification that the monthly invoice is available for download in the Benefit Connector portal. Premiums will be drafted on the 20th (or closest business day) of each month. Invoices are drafted as billed and any adjustments or credits due will be processed on the next monthly invoice.

We are a multi-school owner and need our insurance to be split up by school. Is that something that can be accommodated?

Yes. The Plan can accommodate multi-school owners by setting up insurance either separately by school or by grouping them together under a control group/single EIN. This provides flexibility to align with how you manage your business and payroll.

Is it possible to integrate Benefit Connector directly with my payroll system to automate the transfer of enrollment elections?

Benefit Connector doesn't connect in real time, but you can download a CSV file of employee elections and upload it into payroll. ADP, our Preferred Provider, is also building a no-cost file-transfer option for participating Franchise Owners to make the process even easier.

What kind of support is provided for onboarding/offboarding employees?

American Benefit Services will provide a support team to assist with questions and/or process for enrolling, modifying or termination employee coverages.

Will we have a dedicated representative to contact with enrollment or cancellation questions, or will inquiries go through a general call center?

American Benefit Services has a dedicated support team to assist you whether it be via phone or email.

Will employees have a dedicated representative for questions about enrollment, life events, and COBRA, or will support be handled through a general call center?

Employees will have access to the PSFHP Call Center. The call center is staffed with trained representatives who can assist with enrollment questions, life event changes, COBRA, and other benefits-related inquiries.

ACA Compliance

Is this plan ACA-compliant for employers with more than 50 employees?

Yes. The PSFHP is fully ACA-compliant, meaning it meets all requirements under the Affordable Care Act. This includes offering affordable coverage that provides minimum essential coverage and minimum value.

How will Employer Shared Responsibility (ESR) reporting be handled? Will the TPA provide the ESR reporting, or will we need to generate the data ourselves and file it through our payroll company (e.g., 1094/1095 filings)?

ESR reporting is a tax-related requirement and will continue to be handled through your payroll provider or tax reporting vendor. The TPA does not file ESR reports (Forms 1094/1095) on behalf of employers, but they can supply the necessary benefits data to support your reporting if needed.

PSFCA Membership

What does it mean to be an Alliance (PSFCA) member, and how does it work?

Membership in the Alliance is open to franchise owners who choose to join. Members pay a one-time membership fee and a monthly administration fee that helps cover the administrative and legal costs of operating the Alliance and the PSFHP. As a member, you gain access to (a) the Association Health Plan (PSFHP) and other cooperative benefits; (b) a voice in the Alliance, with the ability to provide feedback to the Board on plan design, benefits, and features; and (c) shared buying power that helps negotiate stronger rates and better services than individual schools could secure on their own. In short, Alliance membership allows franchise owners to collaborate, pool resources, and create long-term solutions that benefit schools, staff, and their families.

Who can join the Alliance?

Any school operating in an approved state may join the PSFCA. Any eligible employee at a participating school may enroll.

How do I join the Alliance (PSFCA)?

To join, you must complete a membership application and remit your membership fee via ACH. There is no deadline to join the Alliance. To join the Health Plan, follow the published dates on our [website](#).

Is there a requirement for length of membership?

Yes. Membership requires a 2-year commitment enrolled in the Alliance and the PSFHP.

What happens if I cancel my membership in the Alliance?

If you cancel your membership in the PSFHP, there will be a two-year blackout period before you can re-enter. This policy helps protect our ability to secure and maintain stable, favorable rates for all members.

What is the cost of the one-time membership fee?

The one-time membership fee is \$750 per school.

When is the one-time membership fee due and how is it collected?

Payment will be collected via ACH within 30 days after membership agreement submission.

How are the monthly administration fees billed and collected?

The monthly administration fee is included in your monthly invoice and is drafted via Benefit Connector on the 20th (or closest business day) of each month.

What input or influence will individual franchise owners have in shaping plan design, benefits, and rates?

While individual franchise owners will not negotiate directly with carriers, the Board actively welcomes and values feedback from all members. This feedback is used when making decisions about plan design, adding or removing benefits and features, and ensuring strong network access across all markets. The goal is to make sure the Plan reflects the needs of franchise owners and their employees while maintaining consistency and strength as a collective group.

Rate Setting**Will my initial rate be determined by the risk of my individual school or by the combined risk of the entire pool? Will my renewal rates be determined by the risk of my individual school or by the combined risk of the entire pool?**

The overall initial rates will be derived from the underwriting of the PSFHP as a whole. Initial rates per school will be reflective of the health risk of each individual school, while still benefiting from being underwritten within the broader large-employer group risk model.

Renewals reflect the association pooled overall risk, with tiers that lower increases for schools with favorable claims and caps to protect schools with higher claims. This structure creates fairness across the Alliance—recognizing favorable claims history while ensuring no school faces extreme or unpredictable rate hikes.

If I own multiple schools, will I have 1 medical rate for all schools or multiple rates?

You will have one medical rate for each school.

How often will we evaluate the need to change carriers—will that be done annually?

The Alliance will regularly review carrier performance and pricing to ensure schools always have access to competitive rates. While we will evaluate options each year, our goal is not frequent switching. Instead, we are focused on building a long-term, sustainable partnership with key carriers who can provide stable pricing, strong networks, and consistent service over time. This approach balances competitive pricing with long-term stability for all members.