



2017 LVBCH EMPLOYER FORUM

Benefits Cost & Culture Strategies, What Your Business Needs to Know



Thank you to our host!



SHRM & HRCI CREDITS

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Gallup estimates “that only 32% of the US employees are engaged – meaning they are involved in, enthusiastic about and committed to their work and work place”

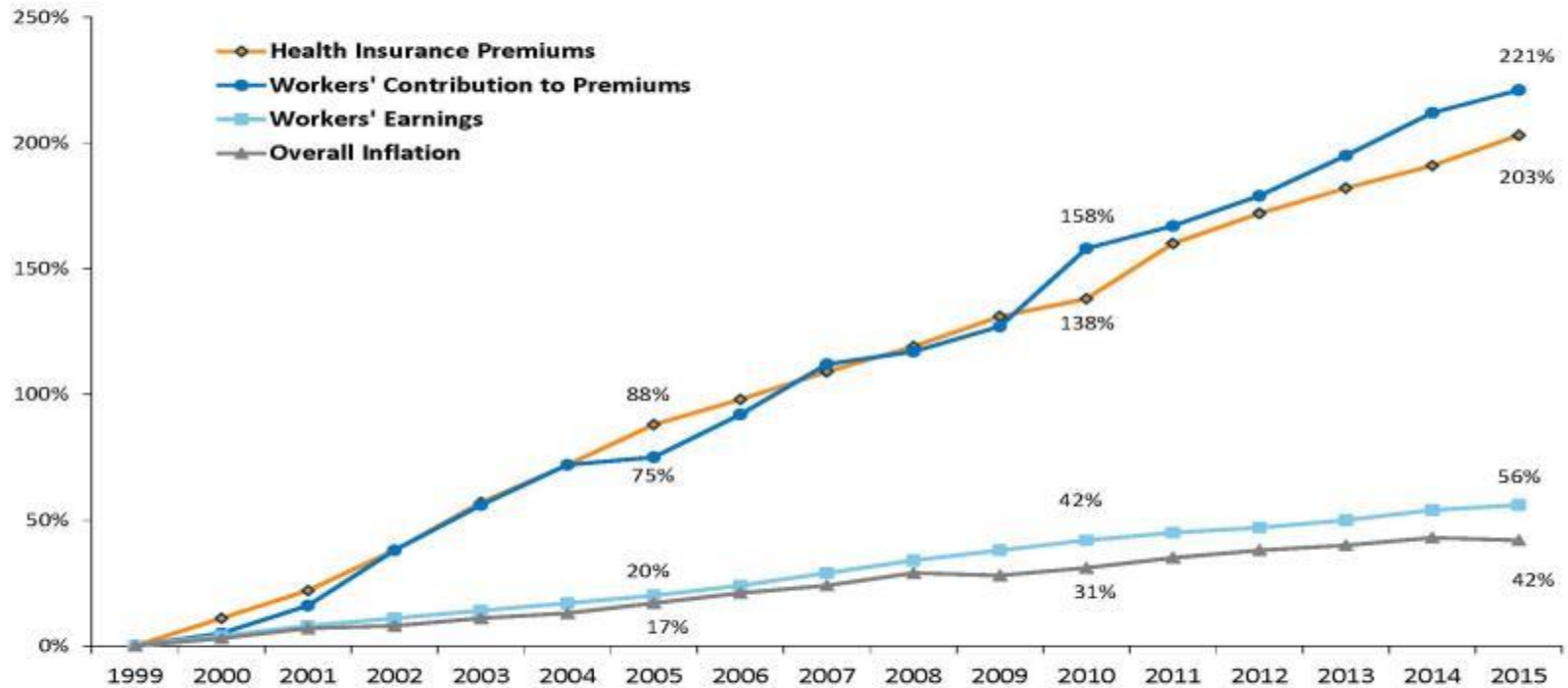


***"Culture eats
strategy for
breakfast."***

- Peter Drucker



Cumulative Increases in Health Insurance Premiums, Workers' Contributions to Premiums, Inflation, and Workers' Earnings, 1999-2015



SOURCE: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2015. Bureau of Labor Statistics, Consumer Price Index, U.S. City Average of Annual Inflation (April to April), 1999-2015; Bureau of Labor Statistics, Seasonally Adjusted Data from the Current Employment Statistics Survey, 1999-2015 (April to April).



Bill Kaiser



Sr. Consultant

High Performing Culture - *Transforming Individuals and Organizations*

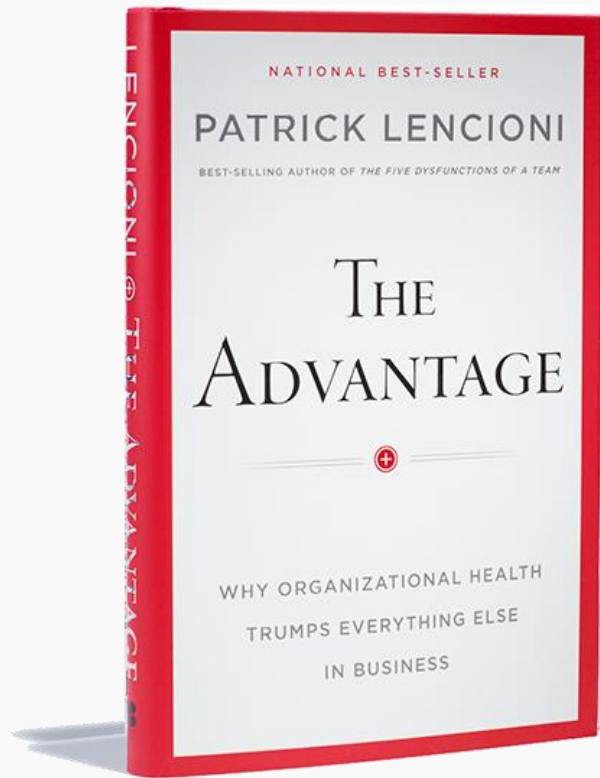
Prior to joining HPC, Bill worked for 20+ years in the employee benefits industry. 13 years at RSI (with HPC Founder & CEO, David Friedman) followed by 7 years with Arthur J. Gallagher & Co. (AJG). Bill started in direct selling and later moved into leadership positions as Area President of Gallagher's Mt. Laurel, NJ office and then Mid-Atlantic Region VP of Sales & Marketing.

Having lived and breathed the Fundamentals at RSI and championing the Gallagher Way at AJG, Bill can speak experientially to the impact a high performing culture delivers. Understanding the importance and the challenge of creating lasting differentiation, Bill is excited and passionate to help business owners build their high performing cultures.



How to drive culture. **Intentionally.**

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CULTURE 



“The single greatest advantage any company can achieve is organizational health. Yet it is ignored by most leaders even though it is simple, free, and available to anyone who wants it.”

*-Patrick Lencioni, **The Advantage***





SINCE 1828

GAMES | THESAURUS | WORD OF THE DAY | VIDEO | WORDS AT PLAY | FAVORITES

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Dictionary

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An Encyclopædia Britannica Company



Great Scrabble Word...
Words to improve your Scrabble game



Using 'Done' and 'Fi...
Is this cake 'done' or 'finished'?



8 Words We Stole fro...
Spoiler: We stole more than 8

2014 Word of the Year: Culture

Here's what this year's top look-ups say about us





SoftBank Agrees to Buy ARM Holdings for More Than \$32 Billion



Corporate Profits Set to Shrink for Fourth Consecutive Quarter



Saudi Push for Tech Deals Stirs Silicon Valley Debate



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BUSINESS | JOURNAL REPORTS: LEADERSHIP

The Relationship Between Corporate Culture and Performance

Researchers find that a positive culture boosts performance, but performance alone doesn't create a positive culture



What is today's best aircraft investment that ensures profitability?



87%

Important

50%

Attempting to Change

12%

Understand Their Culture



54%

Very Important

82%

Competitive Advantage

19%

Have the Right Culture

SCALE OF

100

Importance
Ranked 78
Readiness
ranked 47



A pair of hands, one from the left and one from the right, are shown from the wrist down, cupping a small green plant with several leaves and a mound of dark soil. The background is plain white.

Culture

describes “the way things work around here.”

Specifically, it’s the [behaviors](#) of our people on a day-to-day basis.

Engagement

describes “*how people feel*” about the way things work around here.”



Strategic Plan



91%

Sales Plan



96%

Financial Plan



99%

Culture Plan



< 10%



Houston we have a...

PROBLEM

SOLUTION



HIGH PERFORMING
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Recognition that your culture has a **profound impact** on individual and company performance

1

Can't be left to chance. You need to be **intentional and systematic** about how you author, create and drive the culture you want

3

2

Your culture provides a **distinct competitive advantage** and sustainable differentiation





Mission Statement

GUIDED BY A **RELENTLESS** FOCUS ON
(HEARTFELT ADJECTIVE)

QUALITY, _____ AND _____,
(CLICHÉ) (ANOTHER CLICHÉ) (YET ANOTHER CLICHÉ)

WE WILL STRIVE TO _____
(LONG-WINDED PHRASE)

DELIVERING _____ TO OUR _____
(BIG ASPIRATIONAL WORD) (VAGUE GROUP)

Quality!

We've already used that.



Values vs. Behaviors

VALUES
<ul style="list-style-type: none">• Integrity• Quality• Respect• Innovation
IDEAS

BEHAVIORS
<ul style="list-style-type: none">• Honor commitments• Practice blameless problem-solving• Be a fanatic about response time• Follow-up everything
ACTIONS



Behaviors are easier to...

Coach

Give
Feedback

Teach



We call it the
"HPC WAY"

At High Performing Culture, our goal is not to be *good*. It's to be *extraordinary*. Extraordinary performance comes from extraordinary people. And the foundation for extraordinary people is an extraordinary culture. The 30 Fundamentals that follow describe the behaviors that define our unique culture. They're what set us apart and what make us leaders in our field.



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CULTURE 
culture intentionally

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16. **GO THE EXTRA MILE.** Be willing to do whatever it takes to accomplish the job... plus a little bit more. Take the next step to solve the problem. Even if it takes doing something that's not in your job description, it's the extra mile that separates the average person from the superstar. Be a superstar.
17. **CREATE WIN/WIN SOLUTIONS.** It's a 2-way street. Learn to think from others' perspective. Discover what they need and find a way to help them meet those needs while also fulfilling your own. Win/win solutions are always more effective and longer lasting than win/lose solutions.
18. **SHARE INFORMATION.** With appropriate respect for confidentiality, share information freely. Learn to ask yourself, "Who else needs to know this?" Information

is one of our greatest assets. Find it, share it, and use it.

19. **CELEBRATE SUCCESS.** Catching people doing things right is more effective than catching them doing things wrong. Regularly extend *meaningful* acknowledgment and appreciation – in all directions throughout our company.
20. **FOLLOW-UP EVERYTHING.** Record a follow-up date for every action and take responsibility to see that it gets completed. We get paid to *complete* things, not simply to put them in motion.
21. **DELIVER RESULTS.** While effort is appreciated, we reward and celebrate *results*. Set high goals, use measurements to track your progress, and hold yourself accountable for achieving those results.

22. **BE OBSESSIVE ABOUT ORGANIZATION.** Regardless of the quality of your work, if you can't manage multiple issues, tasks, and promises, you won't be a superstar. Maintain a clean and orderly work area. Use an effective task management system for prioritizing and tracking outstanding issues and responsibilities.
23. **LOOK AHEAD AND ANTICIPATE.** Solve problems *before* they happen by anticipating future needs and addressing them in advance. Preventing issues is always more effective than fixing them.
24. **BE PROCESS-ORIENTED.** World-class organizations are built on a foundation of highly effective, repeatable processes. Look to create processes for every aspect of your work, and then turn those processes into habits to achieve consistent results.

25. **ALWAYS ASK WHY.** Don't accept anything at "face value" if it doesn't make sense to you. Be curious and question what you don't understand. Healthy, vigorous debate creates better solutions. There's no better question than "Why?" Never stop asking it.
26. **GET THE FACTS.** Don't make assumptions. There's always more to the story than it first appears. Gather the facts before jumping to conclusions or making judgments. Be curious about what other information might give you a more complete picture.
27. **BE RELENTLESS ABOUT IMPROVEMENT.** Regularly reevaluate every aspect of your job to find ways to improve. Don't be satisfied with the status quo. "Because we've always done it that way" is not a reason. Keep getting better.

28. **PAY ATTENTION TO THE DETAILS.** From the spelling of a client's name to the specific language of their Fundamentals, from the wording on a survey to the colors on a logo... details matter. Be a fanatic about accuracy and precision. Double-check your work. Get the details right.
29. **ASSUME POSITIVE INTENT.** Work from the assumption that people are good, fair, and honest, and that the intent behind their actions is positive. Set aside your own judgments and preconceived notions. Give people the benefit of the doubt.
30. **KEEP THINGS FUN.** Remember that the world has bigger problems than the daily challenges that make up our work. Stuff happens. Keep perspective. Don't take things personally or take yourself too seriously. Laugh every day.

We call it the "HPC WAY"

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Creating culture intentionally

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1. **DO WHAT'S BEST FOR THE CUSTOMER.** In all situations, do what's best for the customer, even if it's to our own detriment. There's no greater way to build a reputation than to steadfastly do what's right for others. Every day.
2. **DO THE RIGHT THING, ALWAYS.** Demonstrate an unwavering commitment to doing the right thing in every action you take and in every decision you make, *even when no one's looking*. Always tell the truth. If you make a mistake, own up to it, apologize, and make it right.
3. **MAKE QUALITY PERSONAL.** Take pride in the quality of everything you touch and everything you do. Always ask yourself, "Is this my best work?" Everything you touch has your signature. **Sign in bold ink.**

4. **DELIVER LEGENDARY CUSTOMER SERVICE.** Do the little things, as well as the big things, that blow people away. Create extraordinary experiences they'll tell others about. Mere customer satisfaction is for lesser companies. Create customer loyalty by doing the unexpected.
5. **CREATE A TONE OF FRIENDLINESS AND WARMTH.** Every conversation, phone call, e-mail, letter, and even voicemail, sets a tone and creates a feeling. Pay attention to every interaction and be sure you're setting a tone of friendliness, warmth, and helpfulness.
6. **BE A FANATIC ABOUT RESPONSE TIME.** People expect us to respond to their questions and concerns quickly, whether it's in person, on the phone, or by e-mail. This includes simply acknowledging that we got the question and we're

"on it," as well as keeping those involved continuously updated on the status of outstanding issues. Rapid response is one of the easiest and best ways to stand out from the crowd.

7. **CHECK THE EGO AT THE DOOR.** It's not about you. Don't let your ego or personal agenda get in the way of doing what's best for the team. Worrying about who gets credit or taking things personally is counterproductive. Make sure every decision is based solely on advancing company goals.

8. **HONOR COMMITMENTS.** There's no better way to earn people's trust than to be true to your word. Do what you say you're going to do, when you say you're going to do it. This includes being on time for all phone calls, appointments, meetings, and promises. Allow extra time for

surprises and delays, and don't let these become excuses.

9. **PRACTICE BLAMELESS PROBLEM-SOLVING.** Apply your creativity, spirit, and enthusiasm to developing solutions, rather than pointing fingers and dwelling on problems. Identify lessons learned and use those lessons to improve our processes so we don't make the same mistake again. Get smarter with every mistake. Learn from every experience.
10. **PRACTICE THE "HUMAN TOUCH."** Listen for, and pay attention to, the things that make people unique. Use handwritten notes, personal cards, and timely phone calls to acknowledge their specialness. Show people you care about them as individuals, rather than as transactions. Genuine compassion can't be faked.
11. **FIND A WAY.** Take personal responsibility for making things happen – somehow, someday. Respond to every situation by looking for how we *can* do it, rather than explaining why it can't be done. Be resourceful and show initiative.
12. **GET CLEAR ON EXPECTATIONS.** Create clarity and avoid misunderstandings by discussing expectations upfront. Establish mutually understood objectives and deadlines for all projects, issues, and commitments. Where appropriate, confirm your communication by asking others to repeat back their understanding to ensure total clarity and agreement.
13. **LISTEN GENEROUSLY.** Listening is more than simply "not speaking." Be present and engaged. Quiet the noise in your head and let go

of the need to agree or disagree. Create space for team members to express themselves without judgment. Listen with care and with empathy. Above all, listen to *understand*.

14. **SPEAK STRAIGHT.** Speak honestly in a way that moves the action forward. Make clear and direct requests. Say what you mean, and be willing to ask questions, share ideas, or raise issues that may cause conflict when it's necessary for team success. Address issues directly with those who are involved or affected.
15. **COMMUNICATE TO BE UNDERSTOOD.** Know your audience. Write and speak in a way that they can understand. Avoid using internal lingo, acronyms, and industry jargon. Use the simplest possible explanations.

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rituals [rich-oo-uhls] practices that becomes ingrained as automatic behaviors over time.



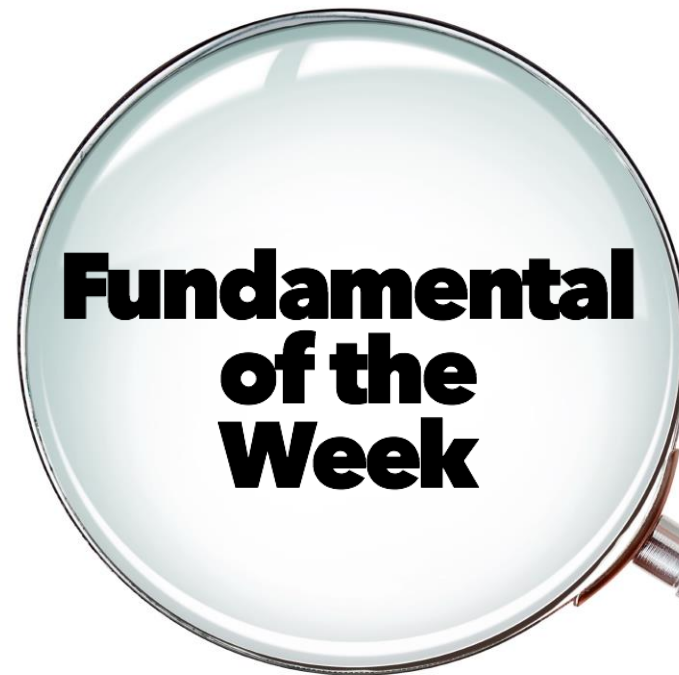
Rituals



Rituals help make things last



Rituals create a structured way to
focus on 1 behavior each week





Examples of weekly rituals for Fundamentals





Examples of weekly rituals for Fundamentals





Examples of weekly rituals for Fundamentals



Behavior change





Good companies have
good cultures by chance.

**World-class companies have
world-class cultures by design.**

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Kevin Davis

Senior Benefits Consultant
Univest Insurance



Kevin has more than 20 years of experience in benefit sales and consulting. Kevin is known for his diligent service and dedication to being an industry expert. He provides expertise in the areas of compliance, strategic planning, employee engagement and communications.

He is a member of the National Association of Health Underwriters and serves on the Lehigh Valley Business Coalition on Healthcare Education and Wellness Committee.

Kevin earned his bachelors degree from St. Joseph's. He also holds the Certificate of Healthcare Reform Studies from The American College and is presently pursuing his Chartered Healthcare Consultant designation.

An active member in his local community, Kevin is a supporter for PBS39, LifePath and ArtsQuest and also serves as a ministry leader at Calvary Chapel in Quakertown. In addition to being a devoted husband and father to three daughters, Kevin is an avid music collector with more than 10,000 albums.



Agenda

- Current Environment
- Benefits Funding Alternatives & Strategies
 - **Reference-based pricing**
 - **Prescription Carve-out**
 - **Narrow Networks**
 - **Telemedicine**
 - **Transparency Tools**
- Conclusion & Questions

Introduction

- Kaiser Family Foundation's 2015 Employer Health Benefits Survey, health insurance premiums for employers have cumulatively increased by 65% from 2010 to 2015, vs. overall inflation which has only increased cumulatively by 11% over the same time period
- Several strategies have emerged in response to the dilemma all employers face at renewal time each year. Most are available to all sizes of employer; others may be limited to large or self-insured employers.
- Many insurance carriers are offering these tactics to their small group segments, therefore making a basic understanding of all of these strategies advisable for any size of employer offering health benefits



Reference-Based Pricing (RBP) – Framing the Conversation

- Health Insurance Costs are Directly Related to the Actual Cost of Care
- Why do providers base their costs on what kind of insurance we have?
- PPO Reimbursements are Higher than Medicare AND Cash Paying Customers
- Cash Price / Medicare Price Inflation Rate is Negligible
- PPO Claim Inflation Rate is 8-12%. Why is that? Contract Negotiations?
- Why Pay a Fee for Network Access AND Pay Higher Claim Costs?
- Follow David Chase – Read “Have PPO’s Perpetrated the Greatest Heist in American History”
- Self Funded Employers Have a Fiduciary Responsibility to Manage Costs
- To Pay Less for Healthcare, You Have to Pay Less for Healthcare (Source: WellnetHealthcare.com)

The Right Way To Eliminate The PPO



The Problem Identified:

*Carriers do not allow employers to understand “price”
Which...would not fly in any other part of your business, **only healthcare***

The Solution: Move to a price-transparent health plan (quickly!)

CENTER FOR HEALTH JOURNALISM MEMBER BLOG

Betrayal: Corrupt Congress could fix healthcare with 3 sentences

By **Steven Weissman, Former Hospital President**

March 21, 2017

 Tweet  G+1  Recommend 1.2K

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The Problem Identified:

“the Middle Class is in a 20-year long economic depression that is at least 95% due to healthcare.” – *Dave Chase*, Forbes writer, Investor, Activist

Legitimate Pricing of Medical Services Would Instantly Fix Healthcare

Congress must compel medical providers to play by the same rules that apply to all other sellers of consumer goods and services. They should remain free to set their own prices. However, providers must be prohibited from billing each patient a different price for the same service.

Legitimate pricing of health services will empower patients to be able to shop for fair value.

Legitimate pricing would also mean networks are obsolete. We could use any healthcare provider in the nation without being price gouged for being out-of-network or uninsured.

Without networks, Americans would no longer be limited to treatment by a handful of local health providers pre-selected by their insurer. Networks are an offensive and costly restriction on choice which nobody should tolerate – especially when making life or death decisions.

Real free market competition by healthcare providers will reduce health expenditures by a minimum of 33% - overnight (and the USA would still have approximately the highest cost per person healthcare on earth).

The Solution is not complicated!

And Employers can get these results today without help from Congress

Proposed Legitimate Healthcare Pricing Act

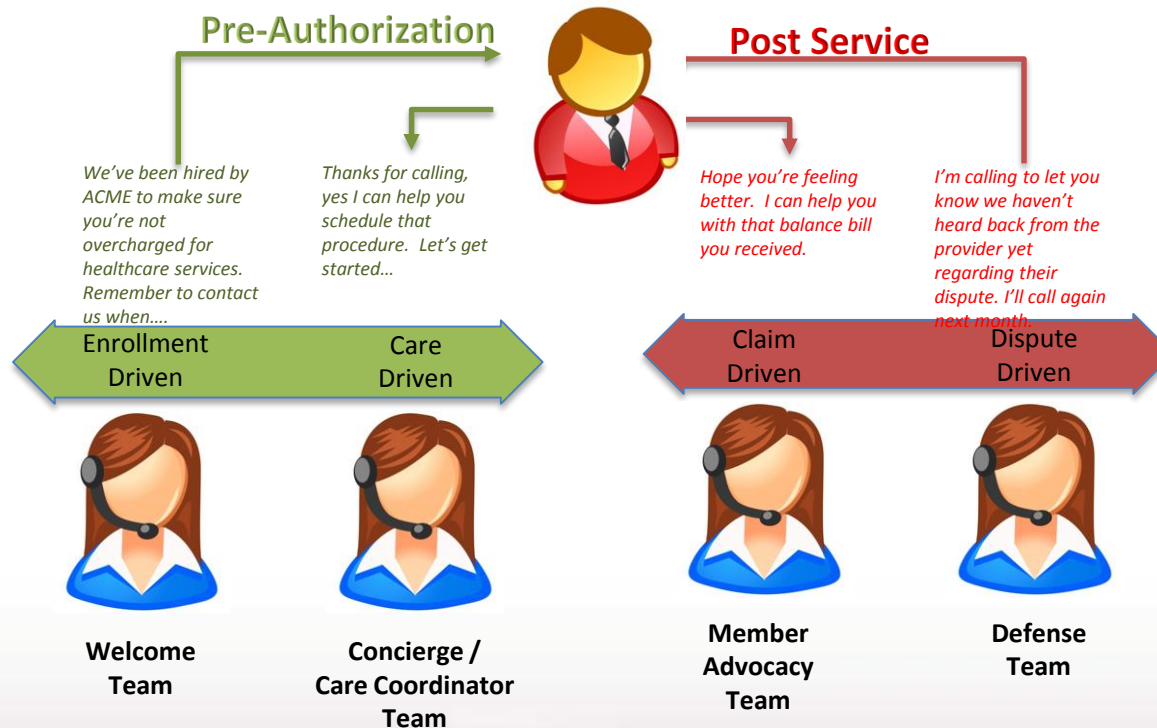
- 1. As a condition of participation in the Medicare program, all healthcare providers shall be required to post the price of every service they offer. It shall be unlawful to charge any individual patient or third party payer more than the posted amount; or to discount the posted amount.*
- 2. To facilitate a competitive market-place where patients can easily compare pricing, all prices shall be posted in industry standard format of either CPT Codes or as a percentage of Medicare rates.*

Health Plan Reimbursement Methodology: *Elimination Of The PPO*

The Process:

1. Plan Document Language
 1. Named Fiduciary; PPL; Discretionary Threshold
2. Stop Loss Coordination (10 - 20% reduction in premiums)
3. Education for Employees/Management
4. Prior Authorization and Steerage to Safe Harbor Facilities
5. Post Service: MBR, Advocate, Defend, Empower
6. Proactive Advocacy and Outreach
7. Legal Defense indemnification for Plan/Member

Improve Member Experience And Deliver Savings



PRESCRIPTION CARVE-OUT OVERVIEW

Unsustainable Trend

How 20% of plan cost will likely be 50% by 2020

Key Trend Drivers

Inflation & new specialty products to market

Required

Creative plan management solutions that meet plan sponsors needs without sacrificing patient health

Pharmacy Expertise

Rx Carve Out, smart formulary management, channel optimization, clinical specialization, aggressive drug pricing & contracts

WHAT KEEPS PLAN SPONSORS AWAKE AT NIGHT?

1

1-2% of the claims are driving >30% of total Rx spend; >10% trend year over year

2

It is predicted that specialty medications will represent 50% of total spend within 1-2 years

3

Adherence and controlling appropriate use of specialty drugs are the greatest challenges, as is the rate of discontinuation of therapy

4

Drug pipeline is full of specialty medications; how do we forecast what the budget impact will be?

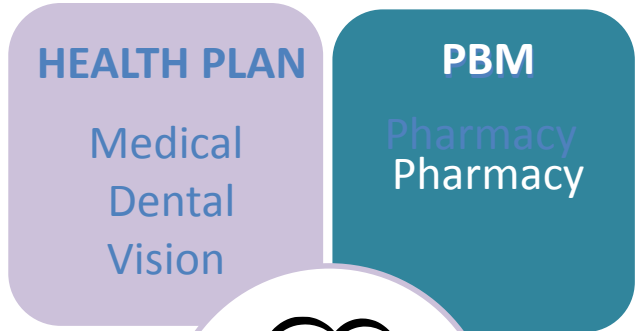
CARVE-IN vs. CARVE-OUT

Carve-In



Employer has a single bundled contract for all services

Carve-Out



Employer maintains two separate contracts/vendors each with specific and unique expertise

A VALIDATED BEST IN CLASS STRATEGY

“Unbundling – or ‘carving out’ – the pharmacy benefits presents substantial savings opportunities for plan sponsors... It is not uncommon for a carved-out health care plan to yield savings of 12% to 15% in total annual pharmacy spend.”

CFO

TODAY'S KEYS FOR LOWERING DRUG COSTS

The top tip for keeping active-employee costs in check: separate your medical and pharmacy benefits into different plans.

BY BARRY EYRE

Pharmacy benefits for active employees and Medicare-eligible retirees present an excellent opportunity to drive out unnecessary costs and improve risk management, driven by market dynamics as well as regulatory and tax changes.

Right now, drug costs are in flux. Over the next three years, brand-name drugs expected to drive \$130 billion in revenue for drug makers during that time period will lose patent protection. That will generate downward pressure on prescription drug costs.

Unfortunately for the bottom lines of corporate health-plan sponsors, the

“Unbundling – or ‘carving out’ – the pharmacy benefits presents substantial savings opportunities for plan sponsors...It is not uncommon for a carved-out health-care plan to yield savings of 12% to 15% in total annual pharmacy spend.

savings will be at least partially offset by the increasing use of specialty pharmaceuticals. These new-age drugs frequently cost tens to hundreds of thousands of dollars per year, and they also spur cost inflation for brand drugs prior to their patent expiration.

By optimizing retiree health benefits and pharmacy benefits for active employees, companies can both

improve their financial performance and achieve superior clinical outcomes for employees and their dependents. The strategies and tactics outlined below will help plan sponsors toward both objectives.

ACTIVE EMPLOYEE PHARMACY BENEFITS

Many employers unwittingly leave significant amounts of money on the table in the provision of pharmacy benefits for active employees as well as pre-Medicare retirees on “active” plans. In many cases, active employee pharmacy benefits are accessed through an employer’s contracted health plan. But unbundling – or “carving out” – the pharmacy benefits presents substantial savings opportunities for plan sponsors.

As anyone who has analyzed a pharmacy benefit manager (PBM) contract will attest, those contracts are both complex and opaque. To maximize cost savings and risk management opportunities available through “carving out,” it is essential to understand and clarify all aspects of the contract while also embedding comprehensive audit rights and the ability to implement appropriate clinical programs.

To maximize their leverage when carving out pharmacy benefits, plan sponsors should structure a request for proposal (RFP) that results in a comprehensive contract with clearly defined terms, competitive discounts and rebates, market price checks before the final contract year, and most importantly, a full range of audit rights to ensure that the agreed-upon contract terms are being delivered.

A well-negotiated PBM contract, followed by comprehensive auditing and clinical program oversight, can help improve outcomes for employees

and their dependents, while simultaneously reducing excess costs. It is not uncommon for a carved-out health-care plan to yield savings of 12% to 15% in total annual pharmacy spend.

Many health-care plans argue that carving out the pharmacy benefits will negatively affect disease-management programs. It is more difficult, the argument goes, for doctors to account for all medications being taken by a patient when some drug claims run through the medical plan and some through a separate carved-out drug plan. Disease-management programs ostensibly remove cost from both medical and drug benefit plans.

Those claims are self-serving at best. Plan sponsors can mandate that both providers establish protocols for sharing data to ensure effective disease-management programs, regardless of how prescription drugs are procured.

Now, though, many health plans are actually “carving in” PBM revenue in their contracts. That’s because of the Affordable Care Act’s minimum-loss ratio – the minimum percentage of premium income insurers must pay out in claims and health-care-quality improvements – slated to take effect in 2014.

In a “carved-in” arrangement, the health plan acts as a middleman between the PBM and the plan sponsor. This structure drives up the price of drugs for the plan sponsor. The health plan contracts with the PBM to supply the drugs at one price and then marks up the drugs as it contracts with individual self-funded plans as a third-party administrator for medical administrative services. This is referred to in the industry as a “spread” or “traditional” pricing arrangement.

When prescription drugs are

CFO.com, March 14, 2013

cfo.com

RDS vs. EGWP: A Comparison

How the Retiree Drug Subsidy stacks up against the Employer Group Waiver Plan for holding down retiree drug costs

Retiree Drug Subsidy	“800-series” EGWP
Does not provide catastrophic coverage	Catastrophic coverage provided through Federal govt. funded reinsurance covering 80% of large claims
Beginning in 2013, RDS will lose its beneficial tax treatment	From 2011 to 2020 the Federal govt. will provide additional coverage eventually filling 75% of the coverage gap in Part D
Public sector employers not allowed to include RDS subsidy when calculating their Accrued Actuarial Liability (AAL) on their financial statements	Public sector employers are permitted to incorporate EGWP subsidy when calculating AAL
Unpredictable cash flow	Predictable cash flow
Pharmaceutical industry discounts do not apply	Allowed to participate in pharmaceutical manufacturer discounts
Does not access Part D improvements	All requirements including formulary enhancements and beneficiary communications have been approved by CMS
Employer responsible for CMS compliance & reporting and subject to CMS audit	The EGWP plan sponsor (typically the PBM or POP, not the employer) is responsible CMS compliance & reporting
No low-income subsidy payments	Receive low-income subsidy payments
Employer must pass gross and net actuarial equivalence test to qualify for subsidy	No actuarial equivalence tests required

Source: Source: KIP Advisors and \$6,500 in 2012. In the EGWP plan, sponsors benefit from a base subsidy of approximately \$657 (as compared to an average RDS reimbursement of \$310), plus federally funded 80% reinsurance for “catastrophic” costs, defined as those expenses an individual retiree generates in excess of a CMS-set threshold (\$6,627.50 in 2013) in a given plan year. Barry Eyre is vice president of business development at KIP Advisors, an advisory firm on pharmacy benefits for active employees and on retiree health benefits.

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EXPRESS SCRIPTS®

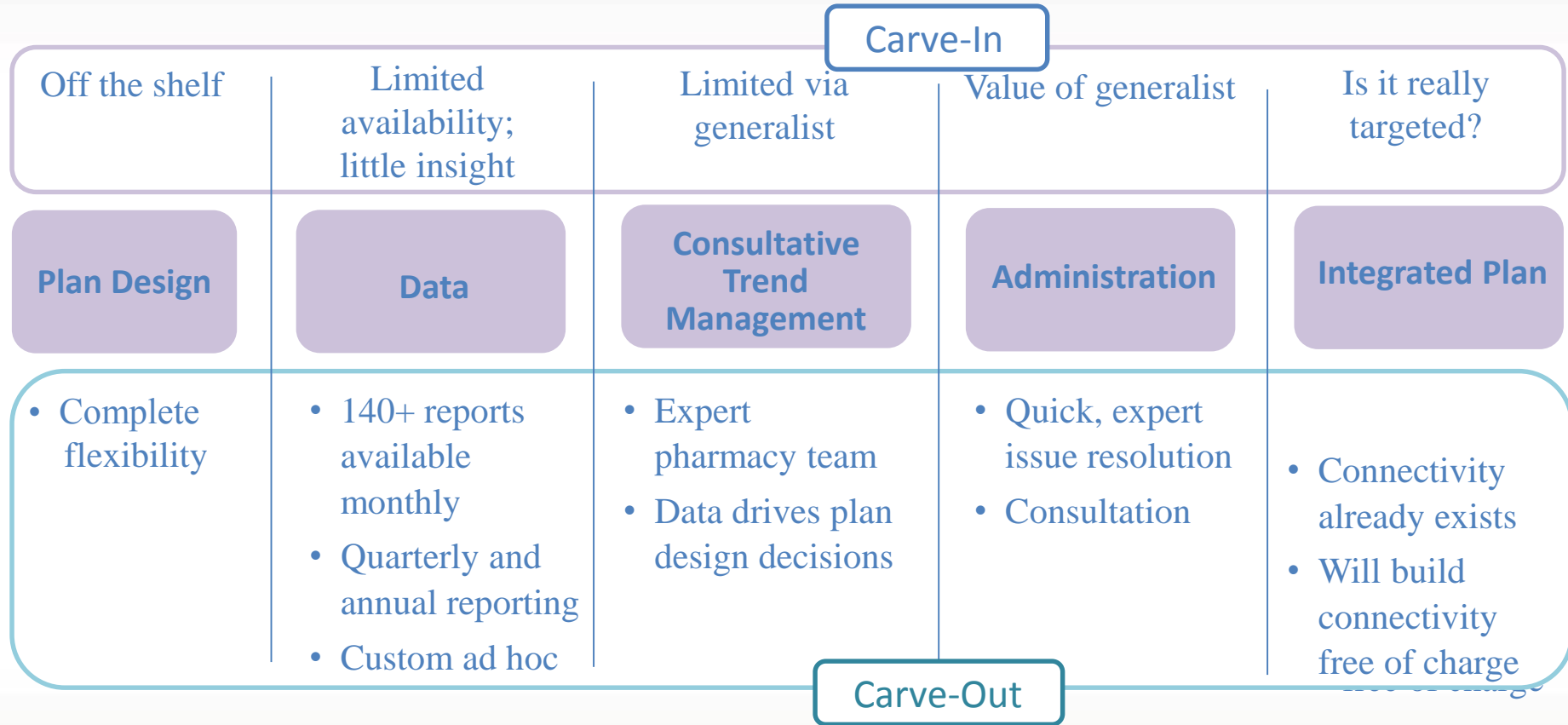
To learn more about Express Scripts solutions for carving out the pharmacy benefit visit www.Express-Scripts.com or email PBMServices@express-scripts.com



PERFORMANCE
PHARMACY
SOLUTIONS



PRESCRIPTION ADMINISTRATION OPTIONS



SAVINGS SNAPSHOT

Carving out pharmacy benefits presents substantial savings opportunities for plan sponsors... It is not uncommon for a carved-out health care plan to yield savings of 12%-15% in total annual pharmacy spend.

—CFO.com, March 14, 2013

Professional Services

- 100 Total Members
- 28.9% or \$9,124 in Annual Savings

Construction Management

- 2,900 Total Members
- 9.2% or \$270,000 in Annual Savings

Medical Technology

- 650 Total Members
- 20.1% or \$117,510 in Annual Savings

Municipality

- 2,800 Total Members
- 10.1% or \$490,820 in Annual Savings

Narrow Networks

- A cost management tool becoming more common is the narrowing of the PPO network to only include providers who practice evidence-based medicine and have proven quality
- Some carriers and administrators are contracting with a narrower list of providers who agree to a larger discount in exchange for more volume
- Example - Accountable Care Organizations (ACOs), provider reimbursements are tied to quality metrics and reductions in the total cost of care for an assigned population of patients. This generally requires employees to either change providers to those within the narrower network or pay more for these providers that are now considered out-of-network

Tele-Medicine

- Robust advances in smart phone technology, a growing number of employees are given the ability to consult with doctors and nurses through two-way video, text, telephone or email for on-demand treatment of minor illnesses and common medical conditions
- This convenient 24/7 access is provided at a fraction of the cost of an urgent care or emergency room visit
- For significant impact on cost to occur, employee communication and education regarding the value and how to use a telemedicine program is crucial

Tele-Medicine

With so many telehealth options today, how do you judge which is your best solution? Freshbenies.com has shared this checklist of top questions to help you compare the options, identify the best value and make a strategic choice for the bottom line.

- Only consider plans from vendors who will provide their average usage information. Low usage won't solve the problems of improving the bottom line, containing costs or mitigating out-of-pocket expenses for employees.
- What are the state limitations? Each vendor handles state restrictions differently. Look for a vendor who operates in the states you need.

Tele-Medicine

- What are the delivery methods? Consider the population of the group. While some people are more tech-savvy and comfortable with apps and video, others may just want to consult or get advice via phone or email. Look for a vendor that offers the variety you need.
- How does the vendor engage members? Look for a turnkey engagement program that doesn't burden your team. In addition to automatic welcome materials (cards, booklets), look for e-newsletters, direct mail, social media, videos, informative website, member portal, and app. Be cautious of any vendor that leaves the engagement planning and implementation up to you.
- What's the cost per employee per month (PEPM)? When comparing the PEPM fee among plan options, remember to consider it alongside any usage cost to employees. If your goal is to increase access to care, contain costs, and/or offset rising out-of-pocket costs, look for plans with a \$0 consult fee.



Tele-Medicine

- Will the cost increase as usage increases? Some plans immediately increase the PEPM fee as a group hits certain levels of usage. For instance, if the group hits 20% usage, the PEPM fee increases by \$.25 for every 5% additional usage.
- What's the cost to the member (or employer) for the actual consult? Some plans have a low PEPM fee, but then charge the member (or employer) for each consult (say \$45). \$0 consult fee plans have a higher PEPM but typically see much higher usage. Usage drives bottom line savings.
- What type of providers do they use (doctors, physician assistants, nurses)? Physician assistants and nurses will have more limitations on the advice they can provide and may not carry the same level of trust with members.
- Do they include specialist visits? If yes, ask if there is an additional charge to the member or employer for that type of consult.



Tele-Medicine

- Did the vendor build and credential their own network or do they rent a network of physicians? If the vendor credentialed their own network, they have more control over the quality of the doctors. They can take immediate action if a doctor's "bedside manner" is below par.
- What are the wait times? Some vendors have immediate help for non-prescription advice but longer wait times if a prescription is required. Look for an average call-back time that's under 15 minutes.
- Can the vendor provide a doctor's note and share consult information with the family doctor, if requested? These are great tools to help the member and employer as well as reinforce the family doctor relationship.
- What other services are included? Some vendors bundle telehealth with other cost-containment tools that round out the benefits package. (Source: Freshbenies.com)



Transparency Tools

📍 Indianapolis, IN 46202
Q

Hospital ▾
Physician ▾
X-ray, Imaging ▾
Labs ▾
Cosmetic Medicine ▾
Hearing Aids ▾
Dental ▾
Medications ▾

Colonoscopy (no biopsy)

Fair Price **\$1,805**

\$1,054**\$7,639+**

Fair Price Details ▾

PROVIDER COST RATINGS ⓘ

COST
● At or Below Fair Price
▲ Slightly Above Fair Price
● Highest Price

Always check network status before seeking care.

Facilities ▾	Distance ▾	Rating ▾
Digestive Health Center	(~ 13 miles)	●
Surgery Center Plus	(~ 10 miles)	●
Surgery Center Plus Indianapolis	(~ 10 miles)	●
The Endoscopy Center at St Francis	(~ 8 miles)	●
Northside Gastroenterology Endoscopy Center	(~ 8 miles)	● Book Now
Riverview Health	(~ 23 miles)	▲
St Vincent Carmel Hospital	(~ 13 miles)	●
Community Endoscopy Center	(~ 10 miles)	●
St Vincent Indianapolis Hospital	(~ 8 miles)	●
Carmel Ambulatory Surgery Center	(~ 13 miles)	●

Healthcare Bluebook

THE EASY SHOPPING EXPERIENCE

Fair Prices On The Go

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Google play

[SETUP INSTRUCTIONS](#)

Helpful Resources

Benefits Summary

Annual Deductible
Individual \$2,000; Family \$4,000

Co-Insurance
20% (after deductible)

Out-of-Pocket (OOP) Maximum
Individual \$4,000; Family \$8,000

Preventive adult exams, immunizations, well child exams
\$25 co-pay (deductible waived)

Specialist Visit
\$50 co-pay (deductible waived)

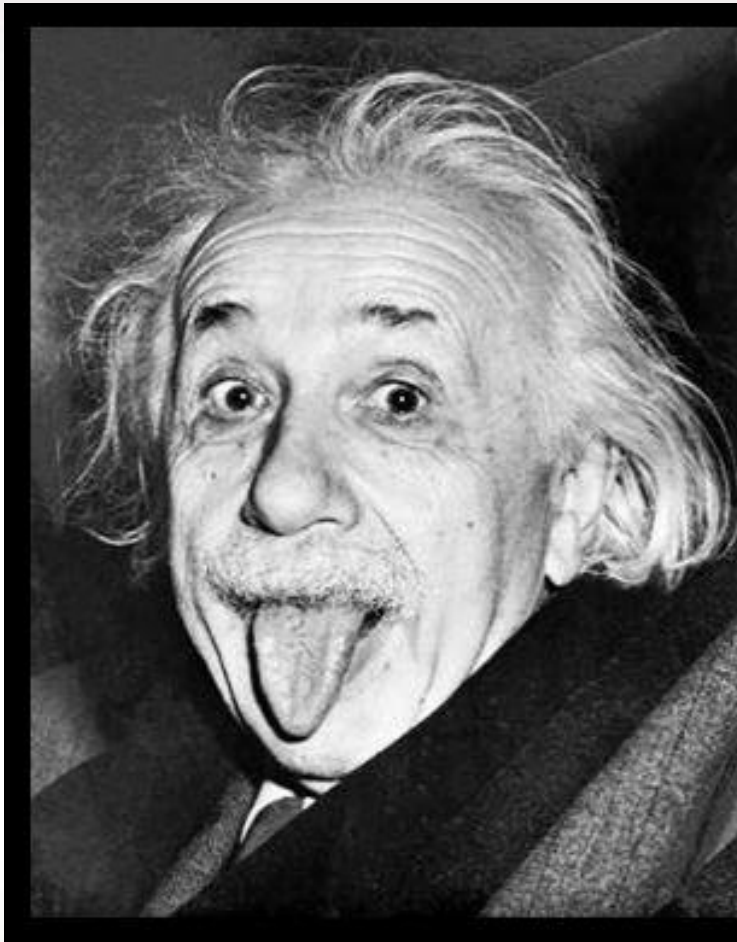
Transparency Tools

- Prices of healthcare procedures can vary by 300% to 500% within the same provider network and the same market.
- Variance in quality is as great as the cost variance.
- Members choose services without knowing the real cost and overpay in the process. Cost transparency tools such as Healthcare Bluebook makes it easier for employees to find the best prices within the provider network.
- Quality based transparency tools allow members to get the highest quality care at the lowest prices.
- Fair price transparency tools can save a company up to 12% on healthcare costs according to Healthcare Bluebook.

Conclusions & Questions

- It is important to point out that, for any of these strategies to be effective in containing cost, an engaged, educated, and empowered employee/patient population is essential.
- Employers must be able to communicate the value of any given program to employees as a combination of personal cost savings to them, more convenience, and better health and well-being.
- An experienced employee benefits consulting firm like the team at Univest Insurance can identify which strategies are best for your company and employees, and the roadmap to implementing them successfully.





*"The definition
of insanity
is to do the same
thing over and
over again
and expect a
different result"*

Questions? Comments?



Thank you for attending!

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