

Taking Ownership of Your Health Insurance Plan

October 12, 2023



Today's Discussion



ABOUT ME



COST AND BUDGET TRENDS FOR OHIO GOVERNMENTS



BUY OR RENT?



COST MANAGEMENT OPPORTUNITIES



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Professional Experience:

- Benefits Consultant
- Assistant Finance Director / Analyst
- Financial Analyst
- Auditor & Tax Preparer

Education/Licenses:

- BS & MS in Accountancy from Wright State
- Certified Public Accountant
- Ohio School Treasurer License (Expired)

Community Involvement:

- Springboro Schools Finance Committee
- Springboro Schools Levy Committee
- Board of Directors – Crayons to Classrooms
- OH GFOA, OAPT, OASBO, OSBA

Personal:

- Married, Two Kids, Dog, Bad at Golf



BY THE NUMBERS

1500+ Employers
 160,000+ Employees
 250,000+ Belly Buttons

\$1.5+ Billion
 In Health Care Spending

92.4%
 Client Retention (2022)

Small Employers - 90.9%
 Mid-Sized Employers - 90.4%
 Larger Employers - 93.6%



200+ Associates

4 Highly Specialized Disciplines



10 MB Advocate Team Members



6 Strategy and Innovation Team Members

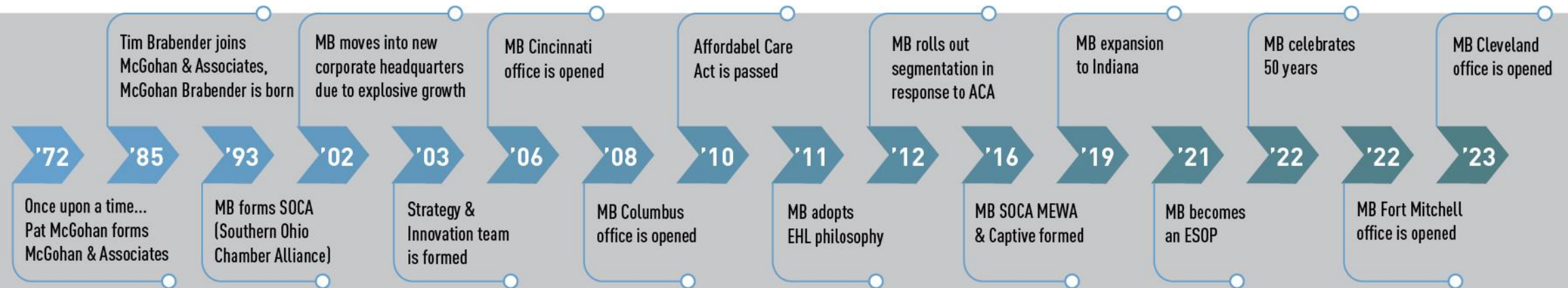


2 Compliance Attorneys



26 Data & Analytics Team Members

OUR TIMELINE | 50 YEARS IN BUSINESS

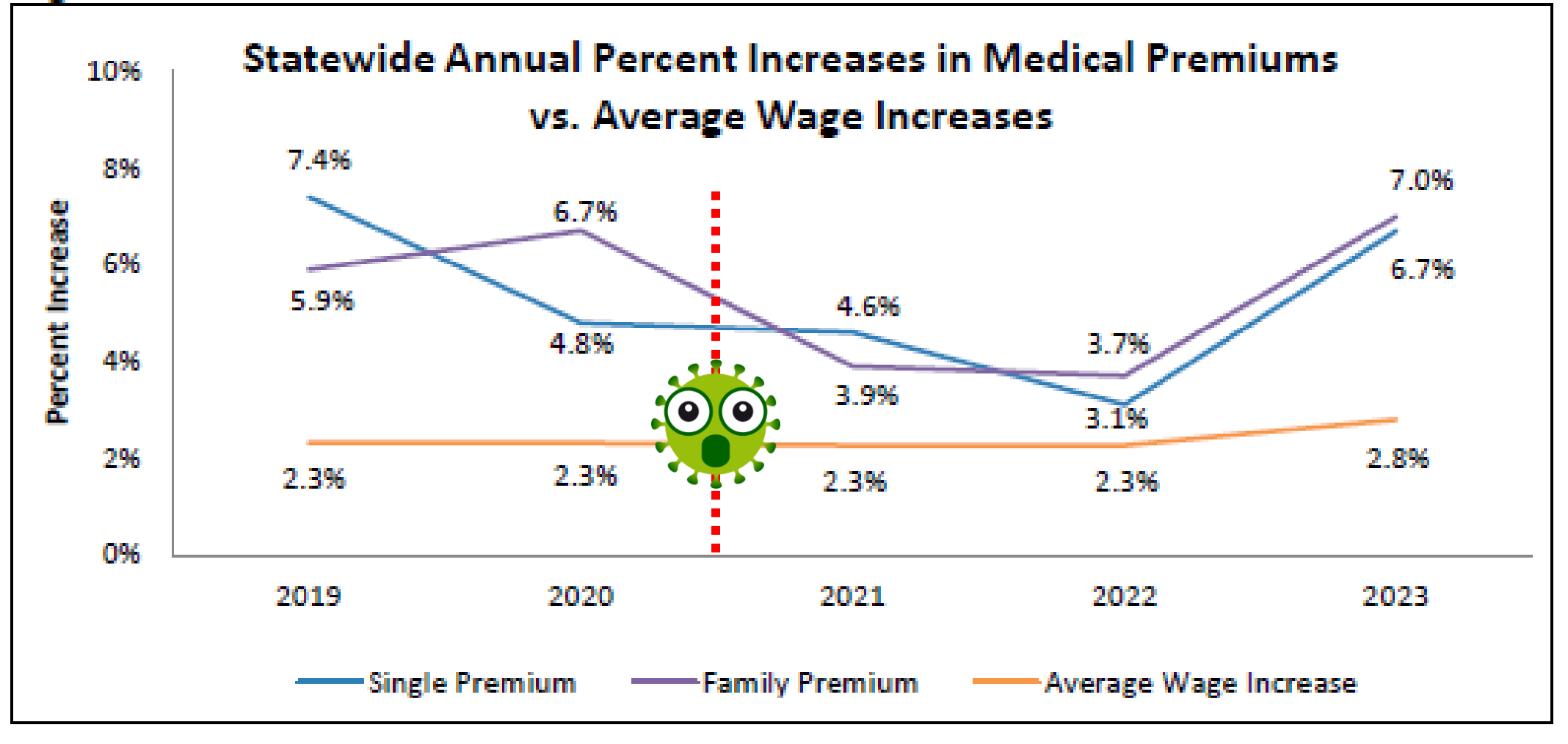


Cost and Budget Trends for Ohio Public Entities (2023 SERB Survey)



MEDICAL PREMIUMS VS WAGES

Figure 1



PREMIUM TRENDS – SINGLE AND FAMILY PLANS

Figure 5

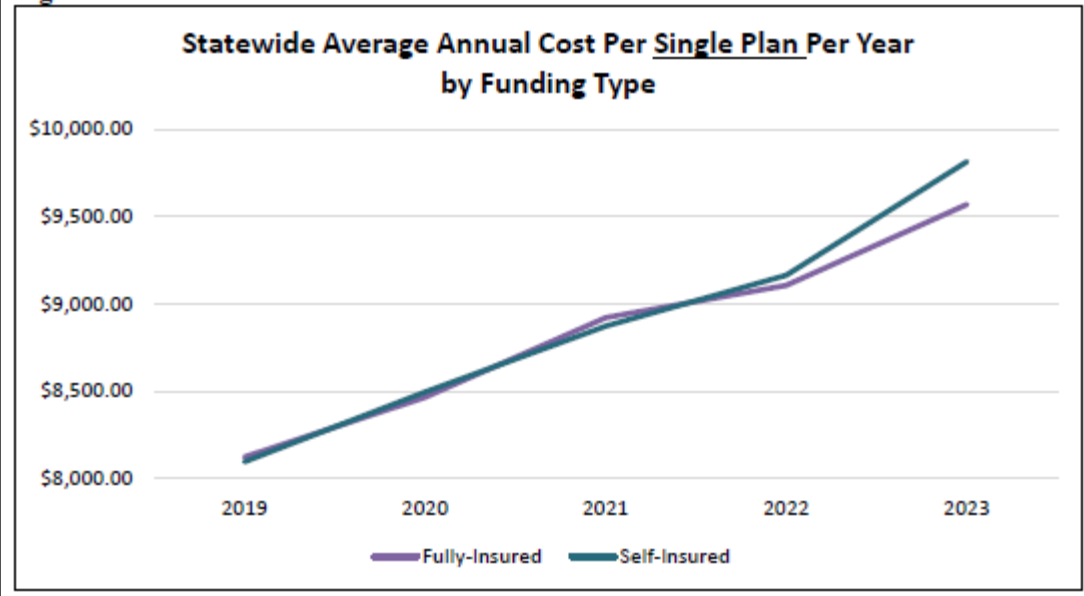


Figure 6

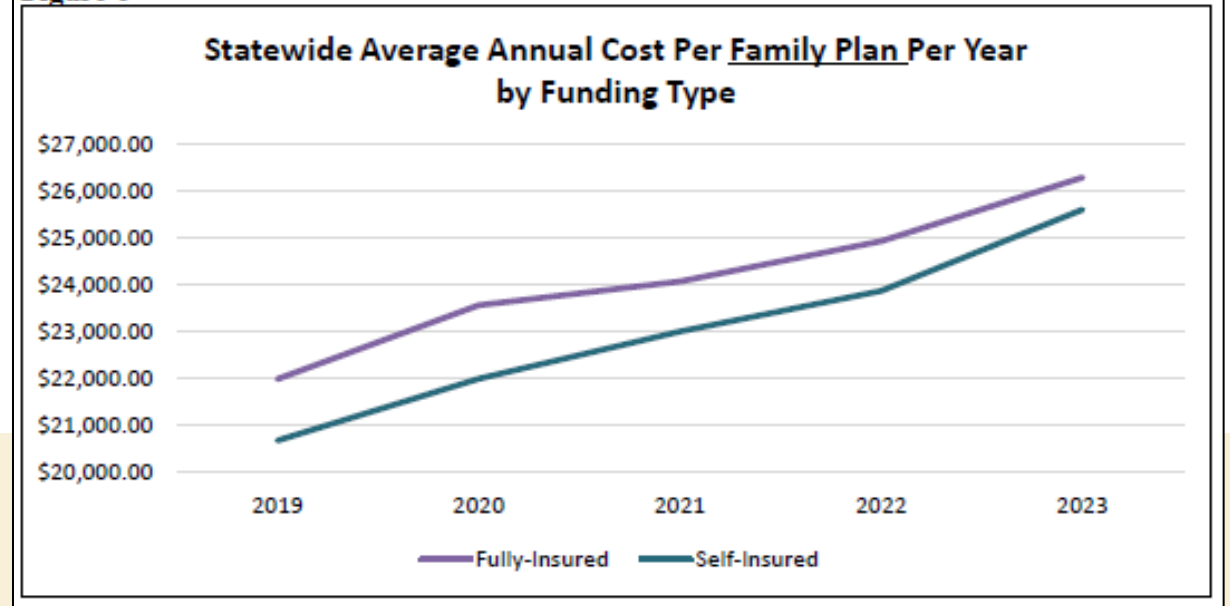


Table 10

Statewide Average Annual Cost Per Year by Funding Type (SINGLE)						
Comparison Group	2019	2020	2021	2022	2023	n
Fully-Insured	\$ 8,124	\$ 8,466	\$ 8,922	\$ 9,106	\$ 9,570	447
Self-Insured	\$ 8,097	\$ 8,496	\$ 8,873	\$ 9,165	\$ 9,815	1,546

Note: n: number of plans.

Table 11

Statewide Average Annual Cost Per Year by Funding Type (FAMILY)						
Comparison Group	2019	2020	2021	2022	2023	n
Fully-Insured	\$ 21,997	\$ 23,571	\$ 24,080	\$ 24,940	\$ 26,299	447
Self-Insured	\$ 20,685	\$ 22,002	\$ 23,009	\$ 23,878	\$ 25,614	1,546

Note: n: number of plans.

CONSORTIUMS VS NON-CONSORTIUMS

Table 45

Average Total Monthly Premium Cost By Consortium Membership

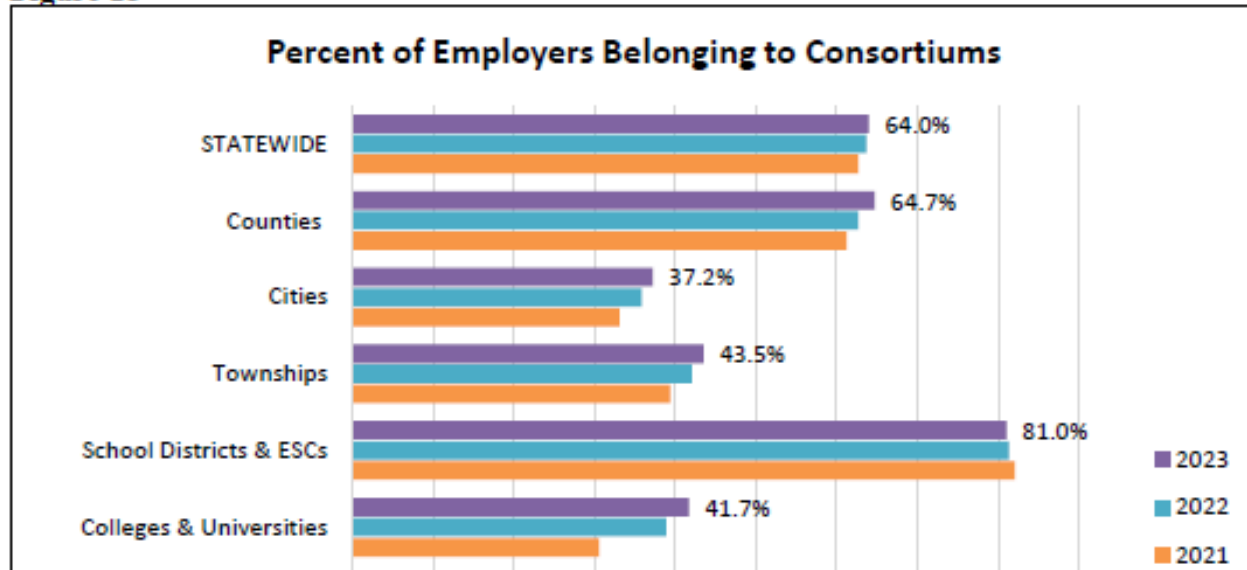
	Consortium Member	Consortium Non-Member
Single	\$ 812.94	\$ 815.43
Family	\$ 2,128.39	\$ 2,184.88
Number of plans (n)	1,290	703

Note: Consortium examples: joint purchasing arrangement, council of government, cooperative, and multiple employer welfare agreement (MEWA).

Note: Excludes carved-out prescription premiums.

Note: n: number of plans.

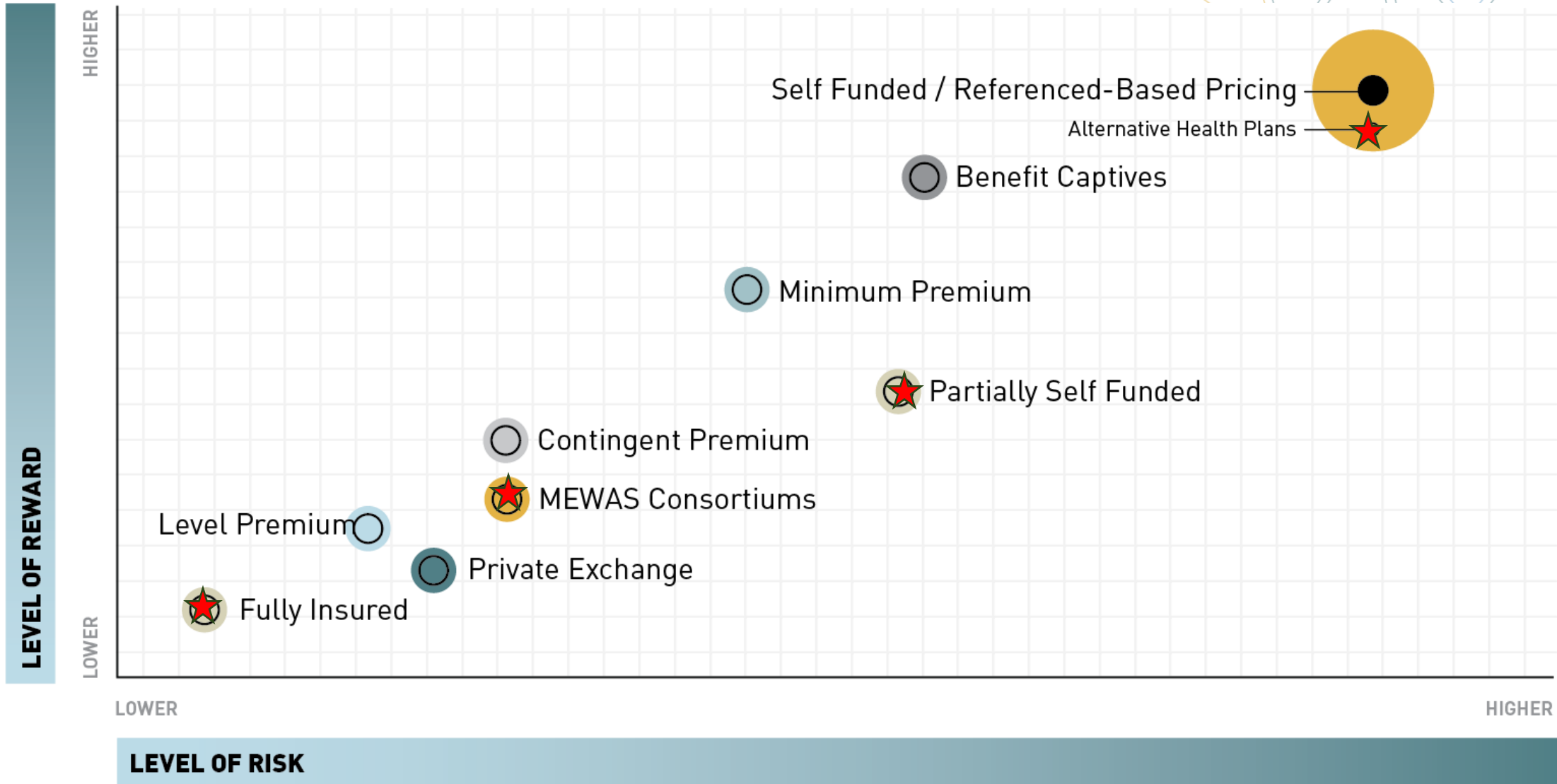
Figure 18



Buy or Rent? Ownership Matters.



Benefits Funding Spectrum



FULLY INSURED VS. SELF FUNDING

- While a **FULLY INSURED** plan transfers all the risk to the insurance carrier, in a **SELF FUNDED** plan, the employer assumes the liability for all incurred claims.
- Very few organizations are truly SELF FUNDED, instead they purchase reinsurance to protect against claims above a certain threshold. This strategy is known as **PARTIALLY SELF FUNDED** and allows medium-sized employers to experience the benefits of self funding without unlimited risk.
- FULLY INSURED plans pay **premiums**, while SELF FUNDED plans set budget rates known as **premium equivalents**.
- **CONSORTIUMS** are generally built as PARTIALLY SELF FUNDED. They usually have a FULLY INSURED feel (premium equivalents) for member employers.

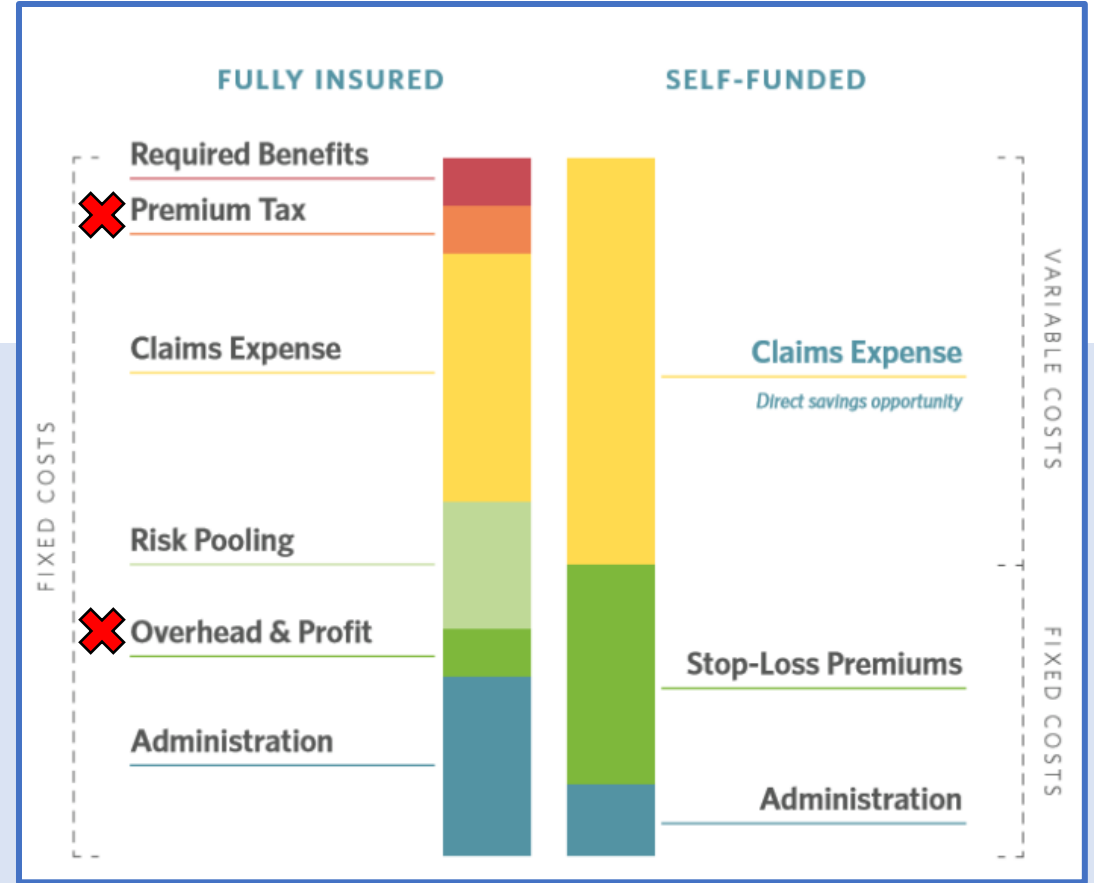
BENEFITS OF SELF FUNDING

CONTROL

- Plan Design
- Network / TPA
- Rx / PBM
- Stop Loss Insurer
- Specialty Vendors (Clinics)

TRANSPARENCY

- Claims Data
- Monthly Financial Reporting
- Data Analytics
- Retain All Reserves



WHICH RISK METHOD IS RIGHT FOR YOU?

Consortium or No Consortium? 64% of Ohio Governments are in a Consortium

Self-Funded or Fully-Insured? 78% of Ohio Governments utilize a form of Self-Funding

Only way to know:

- **Claims History Including High Cost Claims** – request from carrier
- **Current Census** – provided by HR/Payroll
- **Medical Questionnaires** – completed by all employees when <100 ee's or no claims information is available
- Use this information to obtain competitive bids or funding projections from your broker/consultant

If your consortium will not show you claims data – can you trust they are doing a good job of managing risk? How do you know you are being a good steward of tax dollars?

JEFFERSON HEALTH PLAN (JHP)

- **JHP is a council of governments – only public entities are eligible to join**
- **Funding method is partially self funded but premium equivalents add a fully insured feel**
 - **Premiums are same throughout year, any deficit would be settled at renewal**
- **“Stop Loss” (LCRP) is funded by all member organizations up to catastrophic amounts**
 - **22,000 covered employees means excellent pooling/purchasing power**
 - **Specific deductible is negotiable**
- **All excess funds/reserves are owned by the member organization**
 - **Reserves can be used for premium holidays or to reduce renewals**
- **Claims data and monthly reporting available**
- **Wellness and EAP programs are available**
- **Dental, Vision, and Life are available but voluntary**

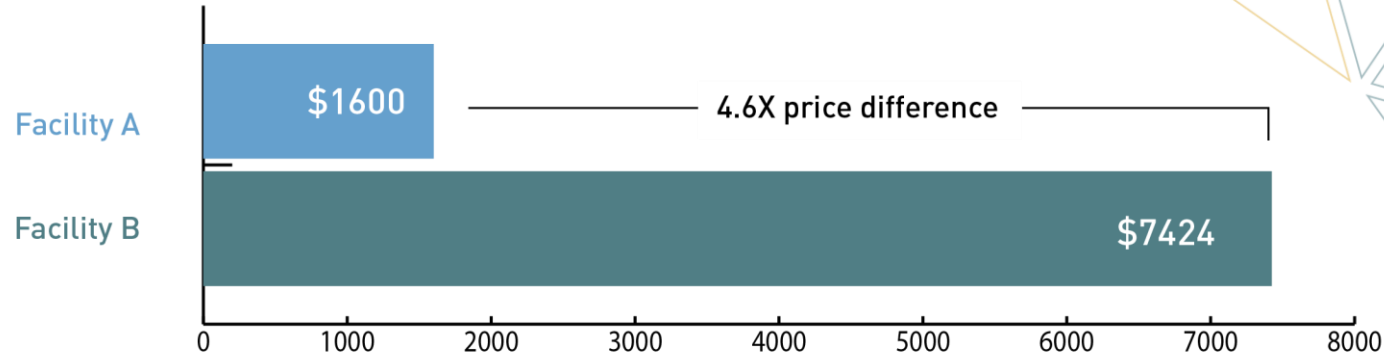
Claims Management Opportunities



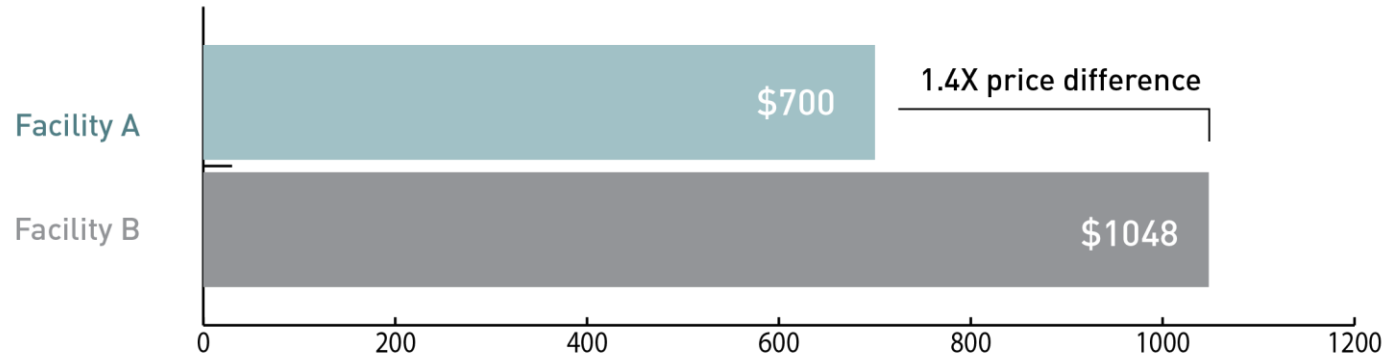


Lack of Transparency Drives Waste

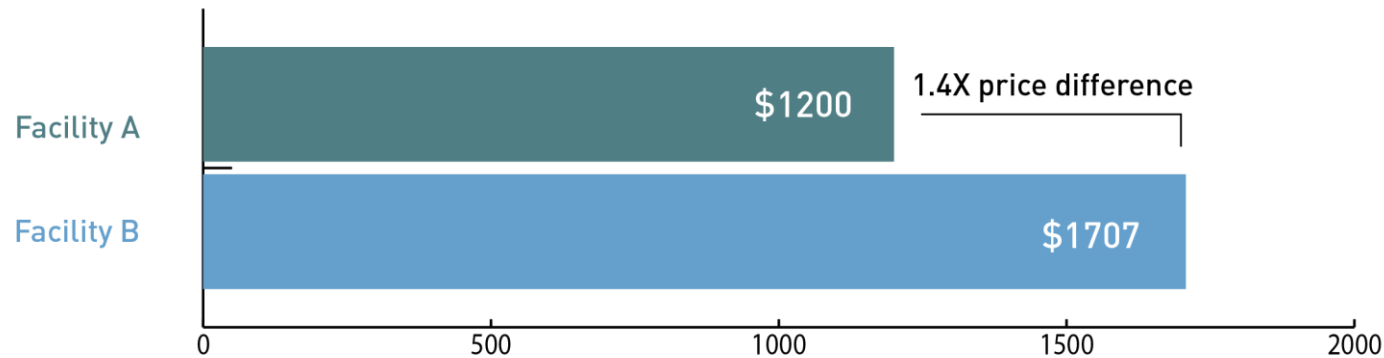
ARTHROSCOPIC KNEE SURGERY COSTS



MRI LUMBAR SPINE COSTS



UPPER GI COSTS



In-Network
Prices Can
Vary by 300%

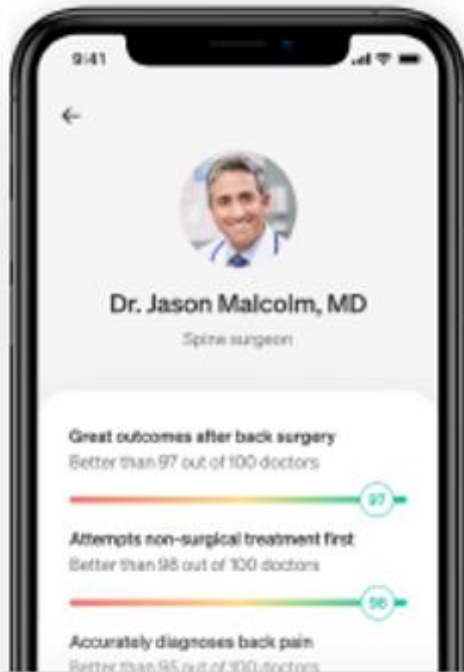




HOW GARNER WORKS

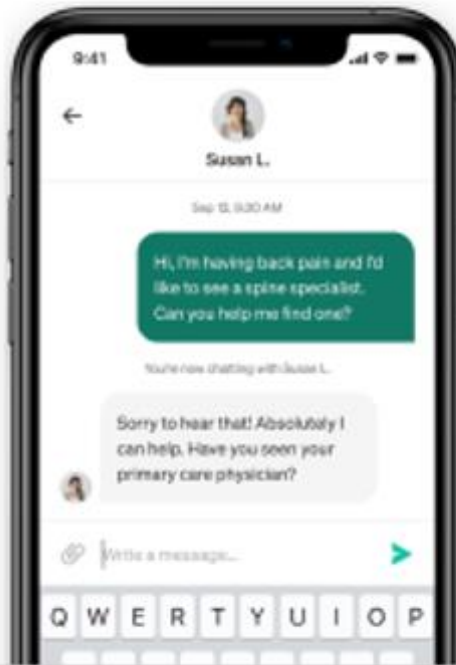
1

We **identify** the Top Doctors in a local geography based on 45B claim records and 500+ best practice metrics.



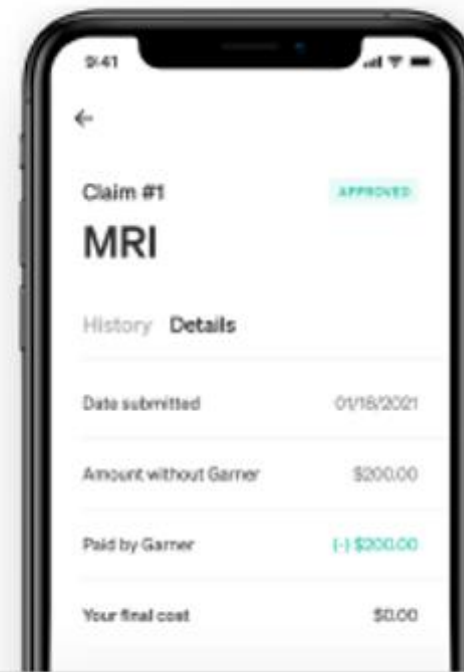
2

Our concierge service makes it easy for employees to **find** the best doctor for them.



3

Via an innovative HRA incentive account, we **cover** out-of-pocket expenses for engaged employees seeing Top Doctors.



Say hello to
the health plan
that meets people
where they are.



How does Surest health insurance work?

Full coverage from Day One

There is no deductible and no coinsurance. Without these in the way, members get full coverage from Day One – an attractive alternative to high deductible health plans.

Cost clarity

Members can check upfront costs and compare options in advance of making an appointment. All services have prices. This visibility can lead to savings opportunities.

Lower costs an indication of higher-value care

The plan features a unique pricing model with lower costs an indication of higher-value care, based on quality, efficiency, and overall effectiveness of care.

Opportunities to save

The design can help employers contain – and even reduce – costs without shifting the financial burden onto employees.

Members like and understand the plan

The experience was designed to be easy to use and easy to understand, with cost and coverage answers readily available on the Surest app or website. Surest Member Services is just a call, email, or chat away.



Surest members choose high-value care options. **Fewer than eight out of 100 members used the least efficient providers¹**



Members spent 54% less in out-of-pocket costs in 2022.²



Surest members access more convenient care, including a **7X increase in virtual visits,³ 6% fewer emergency department visits⁴ and 16% fewer inpatient surgeries.⁵**





There are many ways to get help. It's not
about being the fastest. It's about being the best.



Major medical employer coverage for large groups (51+ employees)

Employers pay less for coverage that offers their employees more

Coverage that is a win-win for businesses and their teams.

Employees enjoy rich major medical coverage with unprecedented access: Insurance that isn't restricted by networks and offers game changing transparency.

Companies save 20% or more on premiums versus traditional plans.*



See any doctor



No surprise bills



Robust coverage

Plan design flexibility

- Employers can select up to 4 plan designs
- Individual and family deductibles can range
- HSA or HRA compatible options
- First dollar coverage options[†]

Hassle-free employer onboarding


Sidecar Health[®] is compatible with major benefit administration platforms making it easier to onboard members.





What is an ICHRA?

ICHRA stands for Individual Coverage Health Reimbursement Arrangement. Based on new federal rules, this option became available in 2019.

 Enables employers to reimburse employees tax-free for health insurance premiums

 Employers set an allowance and employees choose the plan that fits their needs

 Federal government projects nearly 1M employers will move to this model this decade

Note: These plans do not cover certain medications and often have a very limited network of providers

ADVANTAGES OF AN ICHRA

FOR EMPLOYERS:

Cost Control:

Set your budget & cap spending

Risk Management:

No more carrier renewals

Participation:

No minimum requirements

Compliance:

Satisfies employer mandate

Savings:

Keep unclaimed reimbursements

FOR EMPLOYEES:

Choice:

Pick health plan to meet needs

Comprehensive Coverage:

Like group plans

Portability:

Keep their health insurance

Control:

Secure the right level of coverage



SPECIALTY CARE CASE STUDY

Impact On the Education Industry

THE CLIENTS

TrueScripts Clients in the Education industry, making up a total of **55 schools** and **39,000 lives**.

THE CHALLENGE

In a time of budget cuts and teacher shortages, schools simply cannot afford a subpar benefits package. And with pharmacy benefit expenditures on the rise - particularly for specialty drugs - schools must have a sound solution in place for controlling Rx costs and delivering clinical support to employees.

THE TRUESCRIPTS SOLUTION

Our Specialty Care Program is a powerful tool that has generated massive savings for clients in the education industry. Our team's ability to mitigate risks and deliver a profound member experience allows clients to present a unique offering to employees.



Proof of Concept

Education Clients Avg. PEPM Savings **\$71.60**

Patient Assistance Programs Qualification Rate **67%**

TS BoB Avg. AWP Discount for Specialty Brand Drugs **53%**

TS BoB Specialty Claims Achieving Assistance **75%**

↑ TS BoB = TrueScripts Book of Business

A Note From Our Client:

“From Day One, TrueScripts’ projected pharmacy savings and expert guidance on formulary drug changes allowed us to achieve significant savings on specialty medications without pushing costs to the member.

More importantly, their commitment to customer service was beyond compare. Their dedicated service team worked closely with us during the implementation phase to ensure that everything was ready for our 1/1 rollout and that our employees and their spouses had peace of mind. Once we went live, TrueScripts monitored claims activity daily so that errors and member disruption were avoided. Their team was easily accessible to me – and when I reached out, they were always ready with a solution. It was the easiest vendor transition I’ve experienced in my career. - **Deb Wolfe, Benefits Specialist - Carmel Clay Schools**”

TrueScripts
Amazing Care

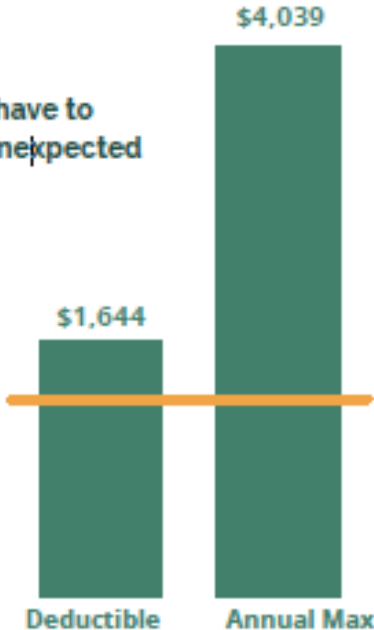


SUPPLEMENTAL HEALTH INSURANCE THAT EASES THE FINANCIAL IMPACT OF A WIDE RANGE OF UNEXPECTED MEDICAL EXPENSES— IN JUST ONE PLAN.

60%

of Americans would have to borrow to cover an unexpected \$1000 expense

Source: Bankrate, Jan. 2020



2020 individual averages
(Source: KFF, Oct. 2020)

More coverage. Less hassle.

- One insurance plan that covers 13,000+ conditions
- Benefits triggered solely by ICD-10 diagnosis code
- No accident or hospital admission requirements
- No specific treatments are required to qualify for benefits
- Benefits payable upon initial diagnosis and during active treatment
- Employer-funded options to enhance your health benefits strategy
- All-in-one supplemental product simplifies your benefits program
- Can be implemented with or without major medical insurance



No exclusions for pre-existing conditions



Plans are guaranteed issue, no medical underwriting—ever



Coverage applies on- and off-the-job



No coordination with other insurance



Coverage is portable at group rates



Flexible HSA compatible solution



Cash benefits paid within 72 hours of completed claim



HOW DOES BREAST CANCER EARLY DETECTION TECHNOLOGY WORK?



Our technology partner provides a breast examination that will change how women view early detection screenings. Our technology is portable, allowing employers to bring the examination to their employees who need it most in a private setting at their workplace. This is especially essential for employers who care about closing the gap for underserved populations who have lower screening rates.

The examination is accurate, quick, and painless without involving radiation or waiting for results.

Not only is this breast exam less expensive than any other detection method, detecting breast cancer at early stages reduces suffering, cancer treatment costs, and even death.

Stage 1 cancer has a 98 percent 5-year survival rate, and treatment costs about \$17,000. Stage 4 cancer only has a 22 percent 5-year survival rate, and treatment costs about \$350,000. Early detection makes a vastly big difference for the lives of your employees.



Thank you!



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