

The Importance of Transparency, Prevention and Pathways

Presented by:

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Consumerism

- ▶ Our approach to healthcare is three pronged
- ▶ Plan Design
- ▶ Wellness
- ▶ Consumerism Tools

Plan Design

- ▶ High deductible health plan
 - ▶ Allows employees to see the true costs of medical care as all care is subject to the deductible
 - ▶ Employees are now financially incented to monitor expenditures
 - ▶ Plans coupled with a Health Savings Account
 - ▶ Typically partially funded with seed money from the employer
 - ▶ Great tax advantage for deferring funds on a tax free basis for health care expenses now or in the future

Problems With Plan Design

- ▶ Employees are resistant to changes especially when it comes to plan design
- ▶ Employees don't touch health care every day so education is difficult and requires significant communication - usually a 3 year learning curve
- ▶ No real resource for pricing transparency - many carrier pricing tools are average pricing and not extensive in terms of procedures where pricing is available
- ▶ Budgeting

Wellness

- ▶ MUST be supported from top down
- ▶ Customized for each group based on employee survey of desired areas of change
- ▶ Can range from no/low cost to very complex programs with an employer investment
- ▶ Not designed to promise a ROI
 - ▶ Large group with low turnover to truly deliver a ROI that is valid
- ▶ Help those interested improve their health
- ▶ Can be tied to employer healthcare contributions - carrot or a stick

Consumerism

The Missing Piece that completes the puzzle

- ▶ Compass - our vendor of choice
- ▶ Single point of contact
- ▶ Educates members regarding their health care plan
- ▶ Provides actual pricing on ANY procedure
- ▶ Recommendations for providers within the member's network
- ▶ Education, Education, Education

Compass Services

- ▶ Assist with medical, dental and vision queries
- ▶ Provide pharmacy alternatives at lower cost when available
- ▶ Recommend providers that have demonstrated high quality low cost care
- ▶ Direct members to lower cost facilities that are high quality and convenient
- ▶ Review claims for accuracy of claim payment
- ▶ Support members in understanding outstanding balances or reconciliation of multiple bills resulting from a series of services

Universal Weather & Aviation

Susan Sweeney

Director

The Beginning - 2011

- ▶ Large population of about 700 employees - domestic
- ▶ Scattered all over the US with majority in Houston
- ▶ 24/7 operation
- ▶ Very rich PPO plan design (self-insured)
- ▶ No tools for consumerism
- ▶ Need to make a long term plan to change the utilization of health care to manage growing plan expenses
- ▶ Surprise! - Mid-year acquisition added
 - ▶ 200 additional employees
 - ▶ Across 12 states
 - ▶ Completely different demographic

The Plan

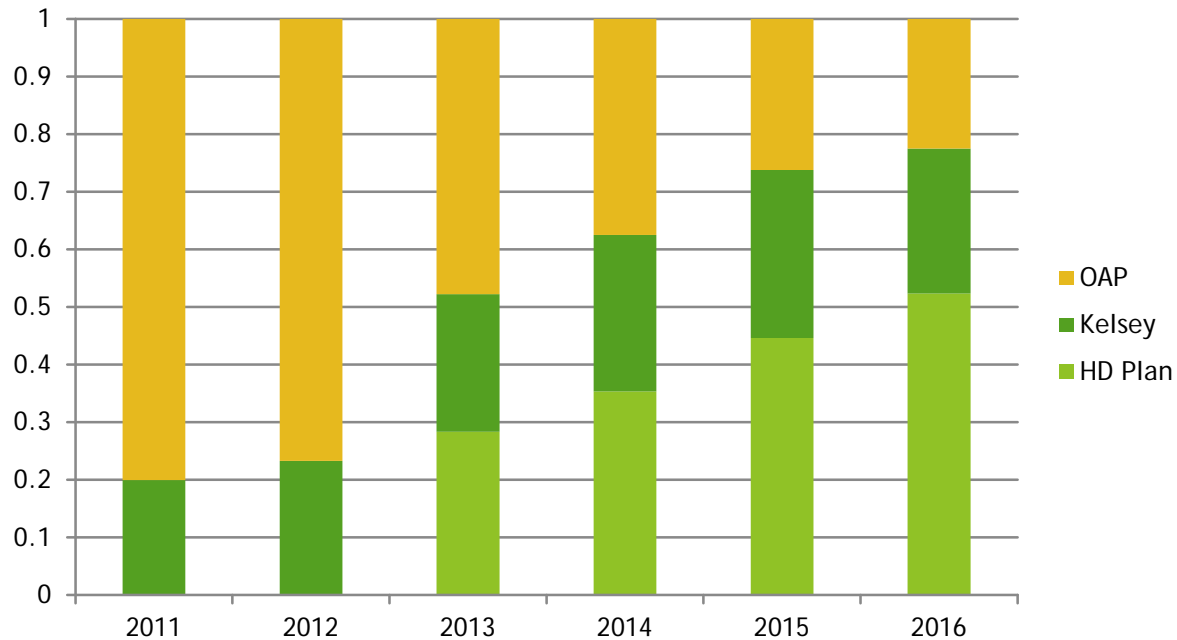
- ▶ 3 year plan that is now our 5 year plan
- ▶ Partnered with Higginbotham to provide consulting services on how to achieve our goals
- ▶ Discussions lead to a vision of how to achieve our goal of managing our future health care plan costs
 - ▶ Stage 1 - Plan Design
 - ▶ Stage 2 - Consumerism
 - ▶ Promote Wellness

Actions

5 year plan

- ▶ Transitioned to different carrier for 2011 Plan Year
 - ▶ Created more cost effective network arrangement for PPO plan
 - ▶ Introduced Kelsey Care (Houston - only) - Network manages care/costs
- ▶ In 2013 our approach for consumerism became a four pronged approach
 - ▶ Kelsey Care - network designed for consumerism
 - ▶ High Deductible Health Plan with Health Savings Account - Individual manages care/costs
 - ▶ Added Compass Concierge Service - Go to service for all consumerism issues
 - ▶ Educate, Educate, Educate!
- ▶ 2014 - 2016 - Used combination premium pricing strategy, company HAS contributions and lots of one-on-one educational sessions to migrate people to the consumer oriented plans.
- ▶ Future plan - eliminate traditional PPO

Positive Results



- ▶ Enrollment trending right on target
- ▶ Below market on annual cost increases
- ▶ 2016 renewal was actually less than 1% increase

Consumerism

Education, Education, Education

▶ Hurdles

1. Garner enrollment in these new plans
2. Overcome employee fear of no co-pays and a high deductible
3. Provide tool for transparency of costs
4. Avoid “Shenanigans!” that impact employees and the plan

▶ Solutions

1. Lower employee cost share for Kelsey and HDHP employer HSA contributions
2. Meetings, emails and an understanding this would be an intense 5 years of communications
3. Compass

Compass

▶ Solution 1

- ▶ Services, e.g. MRI, are priced for employees based on actual procedure codes
 - ▶ Will contact Doctor's office for clarification of procedure codes
 - ▶ Provide pricing based on employee's benefit plan for provider recommended by physician
 - ▶ Review Compass data for alternate referrals that are high quality, low cost providers
 - ▶ Make recommendations to the employee
 - ▶ Make appointment for the employee

▶ Result

- ▶ Education of employee on high quality, lower cost procedures and remove any barriers regarding physician referral

Compass

▶ Solution 2

▶ Physician referrals

- ▶ Will review physician list for for high quality, low cost providers
- ▶ Recommendations are made after an updated review of physician licensing and any infractions recorded with the medical board
- ▶ Physician referrals are based on employee preferences

▶ Result

- ▶ Education of employee on importance of provider relationship and opportunity to stay in lowest cost environment

Compass

▶ Solution 3

▶ Prescription review

- ▶ Review pharmacy list for lower cost medications
- ▶ Provide alternate medications if available
- ▶ If requested, Compass will contact provider's office to request change in medication

▶ Result

- ▶ Education of employee on lower cost prescriptions while removing the stigma of "questioning your doctor"

Compass

▶ Solution 4

▶ Claim review

- ▶ Review individual or series of claims
- ▶ Assist employee in determining where funds are owed and may have already been paid
- ▶ Review claims for accuracy and request reprocessing where necessary

▶ Result

- ▶ Employee only pays what is owed - no leftover credit balances

Compass Performance Results

	Plan Savings	+ Patient Savings	=Total Savings	+ Productivity Savings	=Total Savings
YTD 2016	\$ 39,767.00	\$ 9,900.00	\$ 49,667.00	\$ 8,871.00	\$ 58,538.00
All Time (3.4 yrs)	\$ 278,271.00	\$ 141,247.00	\$ 419,518.00	\$ 100,392.00	\$ 519,910.00

Service Type	Count	%
Doctor Recommendations	453	43%
Cost Estimates	213	20%
Insurance Benefit Questions	168	16%
Bill Reviews	132	13%
Conceirge Support Services	58	5%
RX Reviews	23	2%
Plan Selections	8	1%

- ▶ Numerous positive employee satisfaction reviews!
- ▶ Saves HR Benefits Reps time not captured in metrics
- ▶ Anti-Anxiety service for the inexperienced medical consumer*

* 32% of insured survey participants reported that they are uncomfortable with their personal knowledge and skills for navigating their medical benefits and the healthcare system.
Employees Not Comfortable Managing Health Benefits
 June 2016's Employee Benefits News

Wellness / Wellbeing

- ▶ View wellness / wellbeing as a path to a healthier employee
 - ▶ Encourage preventive screenings
 - ▶ Conduct periodic biometric screenings
 - ▶ Promote resources through Health Fairs - including Airrositi
 - ▶ Healthy grocery store
 - ▶ MyHealthyTookKit
 - ▶ Fresh organic produced delivered to workplace weekly
 - ▶ FitBit challenges
 - ▶ On-site seminars around nutrition, healthy family shopping and meditation