

Welcome to the 2018 Benefits Survey Results and Employee Engagement Seminar



June 13, 2018

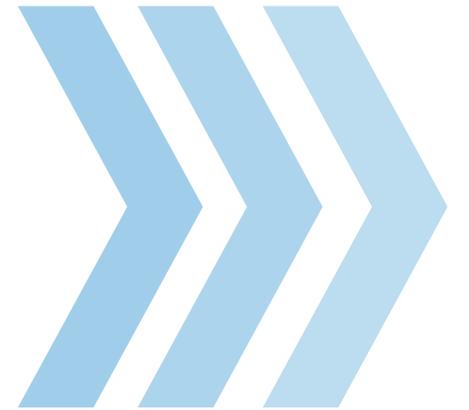


FROM OUR OFFICE TO YOURS

WHAT ACTUARIES CAN TEACH YOU ABOUT BENEFITS

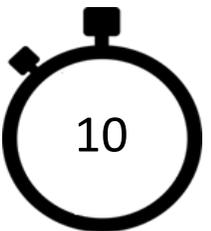
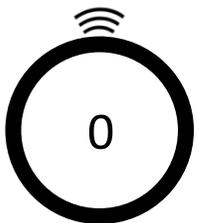
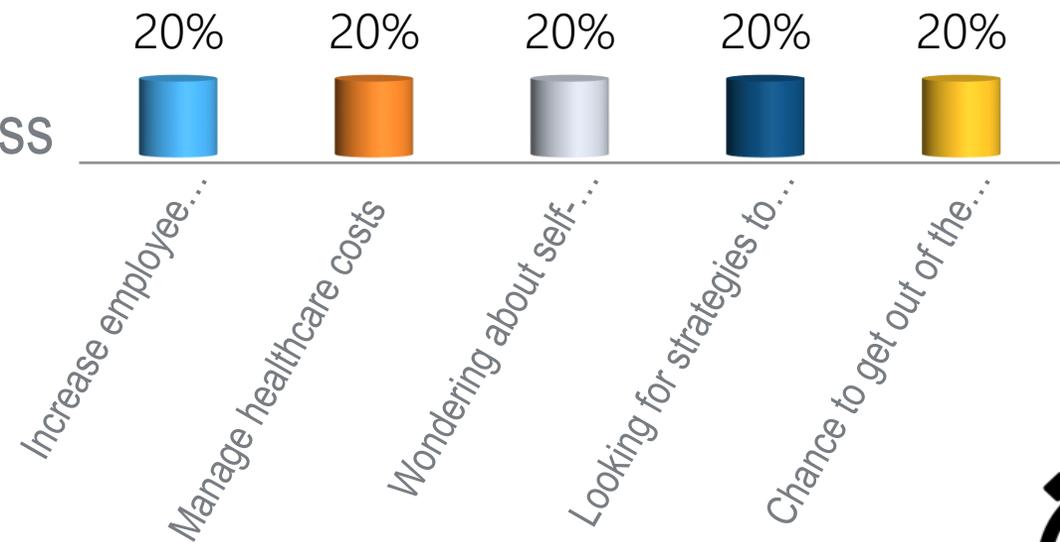


AUDIENCE POLL



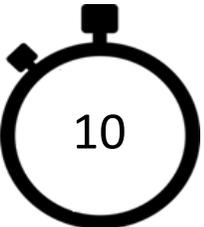
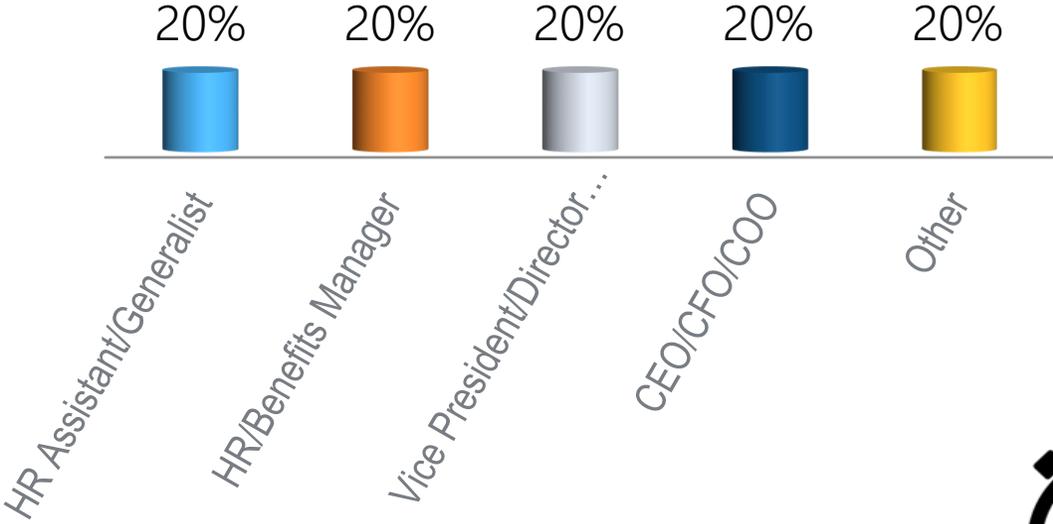
What is your primary motivation for today?

1. Increase employee retention
2. Manage healthcare costs
3. Wondering about self-funding
4. Looking for strategies to better our business practices
5. Chance to get out of the office



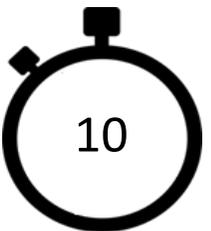
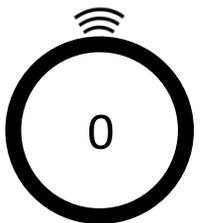
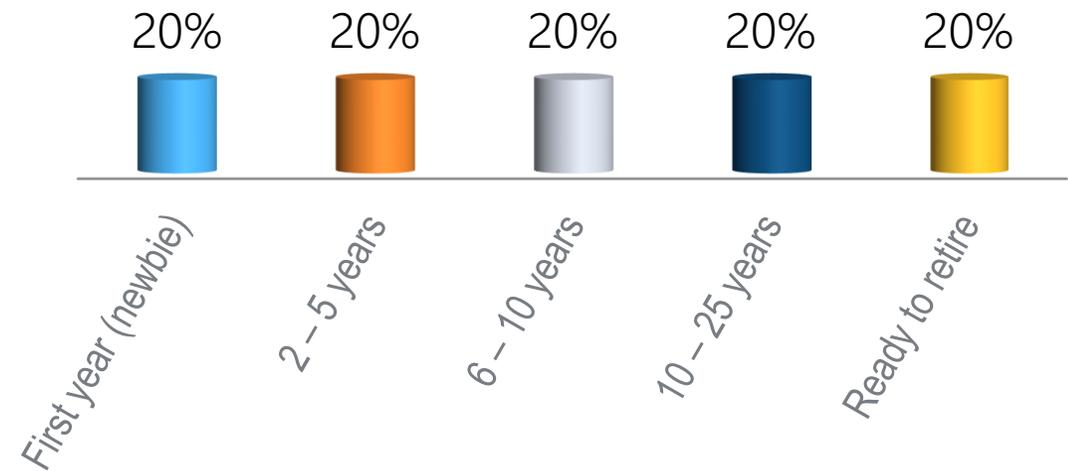
What is your current position in your company?

- 1. HR Assistant/Generalist
- 2. HR/Benefits Manager
- 3. Vice President/Director of HR
- 4. CEO/CFO/COO
- 5. Other



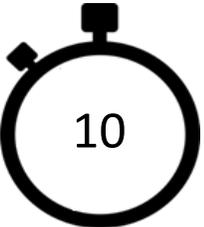
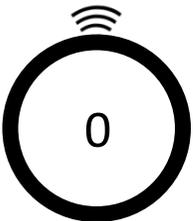
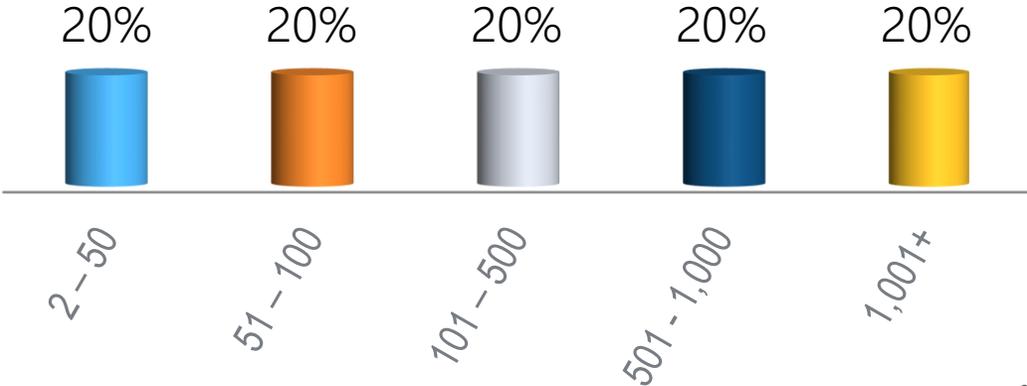
What is your tenure in benefits?

1. First year (newbie)
2. 2 – 5 years
3. 6 – 10 years
4. 10 – 25 years
5. Ready to retire



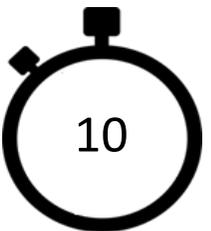
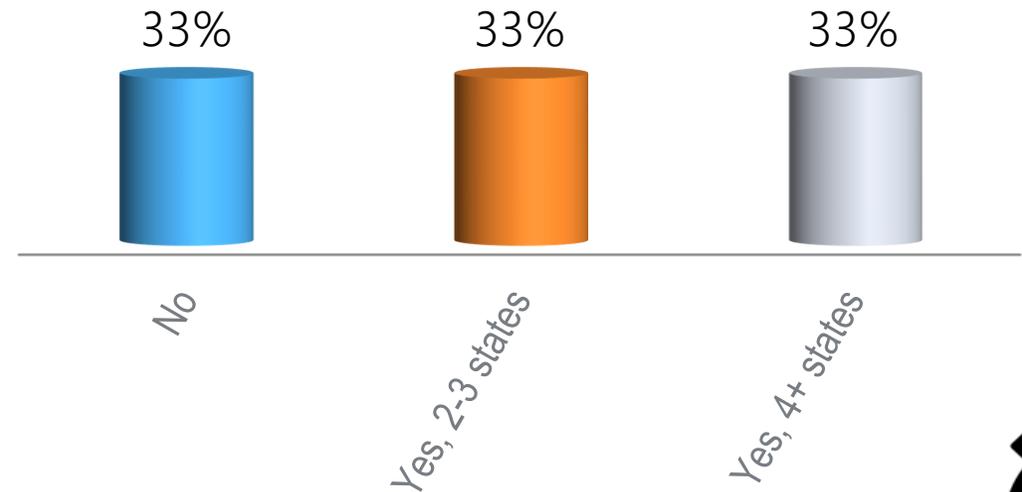
How many of your company's employees are eligible for your benefits program?

- 1. 2 – 50
- 2. 51 – 100
- 3. 101 – 500
- 4. 501 - 1,000
- 5. 1,001+



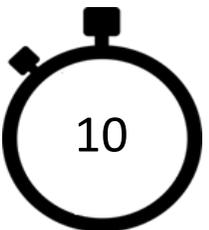
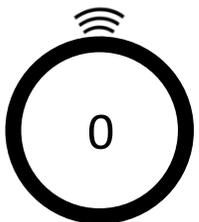
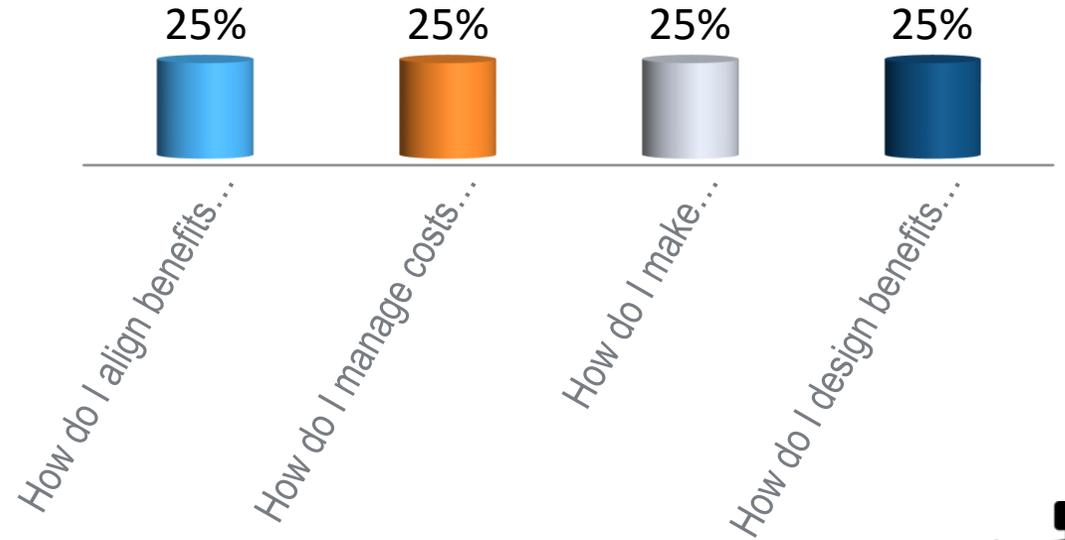
Do you have employees located in multiple states?

1. No
2. Yes, 2-3 states
3. Yes, 4+ states



What question do you ask yourself most frequently?

1. How do I align my company's benefits with others?
2. How do I manage costs in such a volatile market?
3. How do I make healthcare accessible and affordable for my employees?
4. How do I design benefits that attract and retain?



AGENDA

- How do I align my company's benefits with others?
- How do I manage costs in such a volatile market?
- How do I make healthcare accessible and affordable for my employees?
- How do I design benefits that attract & retain?



**HOW DO I ALIGN
MY COMPANY'S
BENEFITS WITH
OTHERS?**



SURVEY STATISTICS

139

COMPANIES PARTICIPATING

83,114

EMPLOYEES REPRESENTED

1 Billion

HEALTHCARE DOLLARS SPENT

121

MEDIAN # OF EMPLOYEES

MID-ATLANTIC
BENCHMARKING
SURVEY AREA

NATIONAL

2,156

COMPANIES PARTICIPATING

985,129

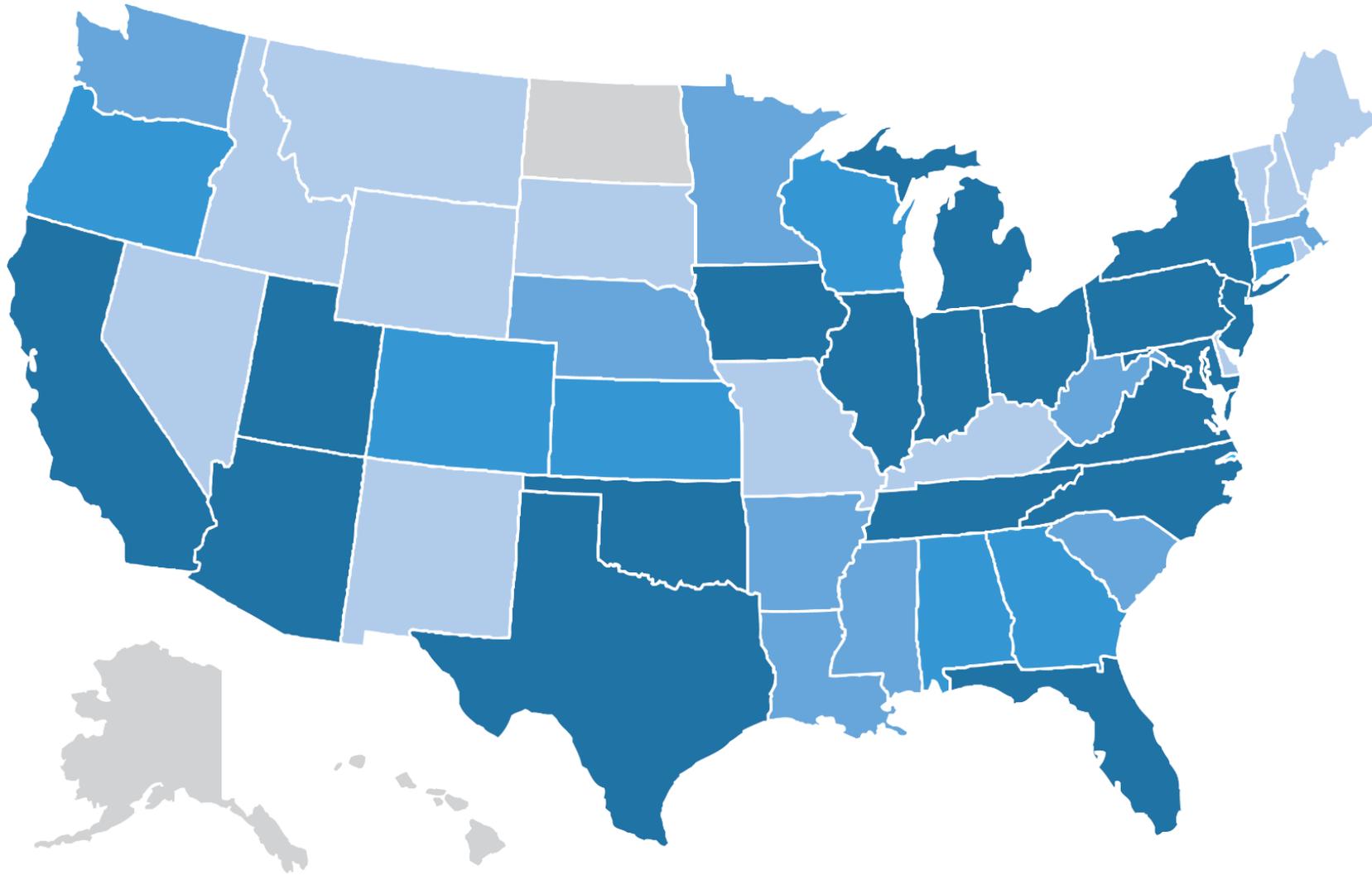
EMPLOYEES REPRESENTED

11.1 Billion

HEALTHCARE DOLLARS SPENT

150

MEDIAN # OF EMPLOYEES



2017 AREAS SURVEYED

A B C C O M P A N Y

125

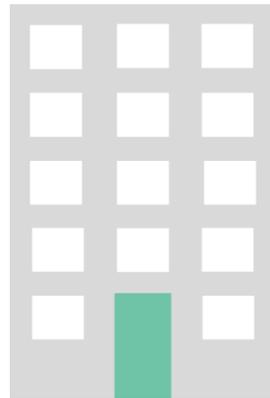
EMPLOYEES

Baltimore, MD

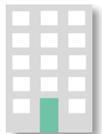
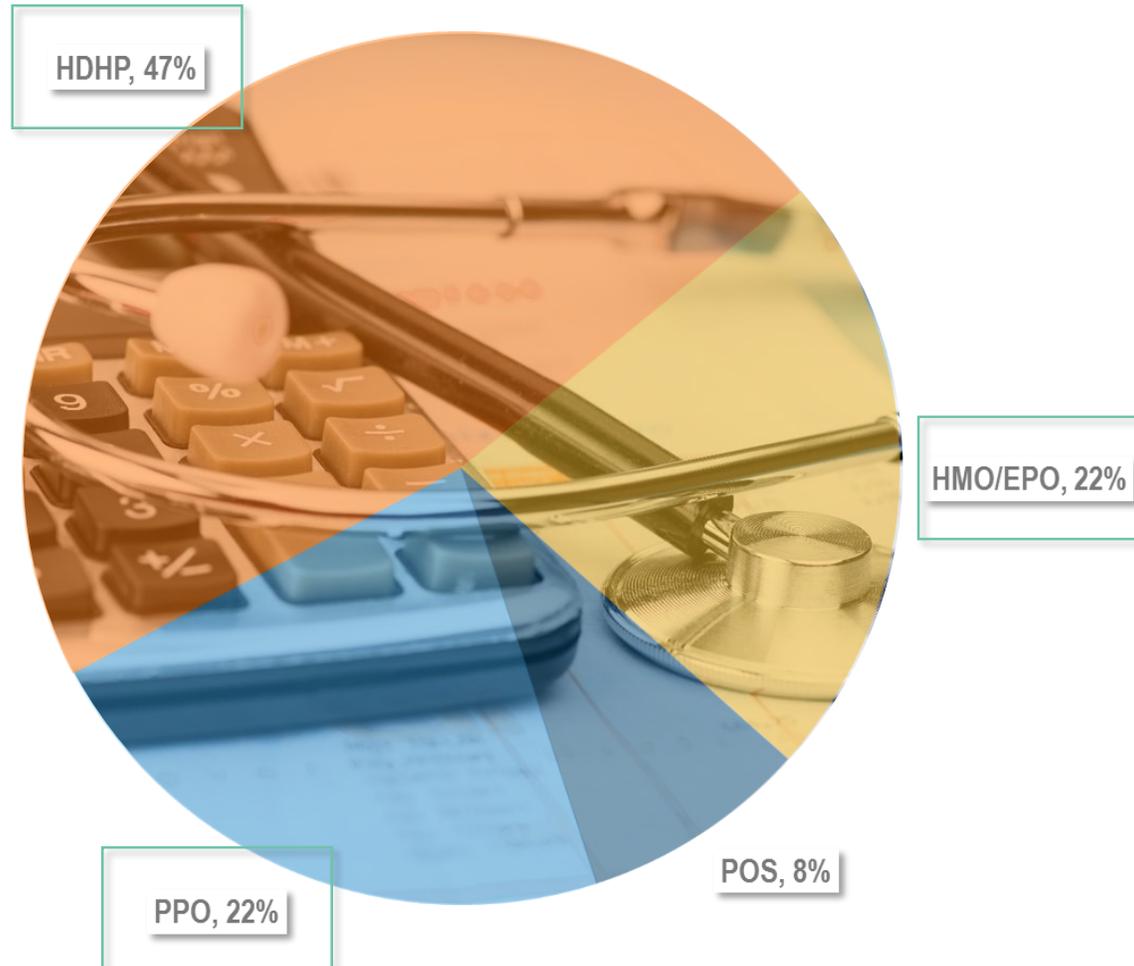
LOCATION

Professional, Scientific
& Technical Services

INDUSTRY



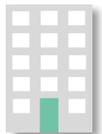
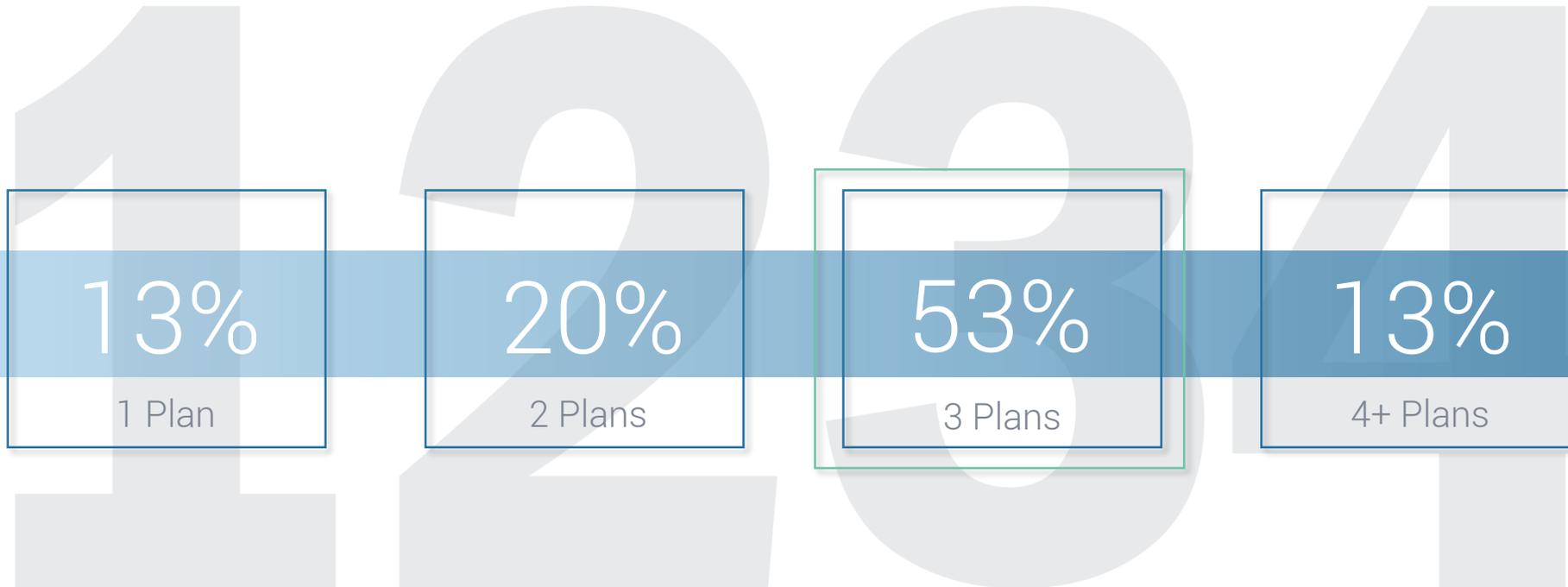
PLAN PREVALENCE



ABC Company offers PPO, HDHP, and HMO plans

Based on the 2018 Mid-Atlantic Benchmarking Survey responses

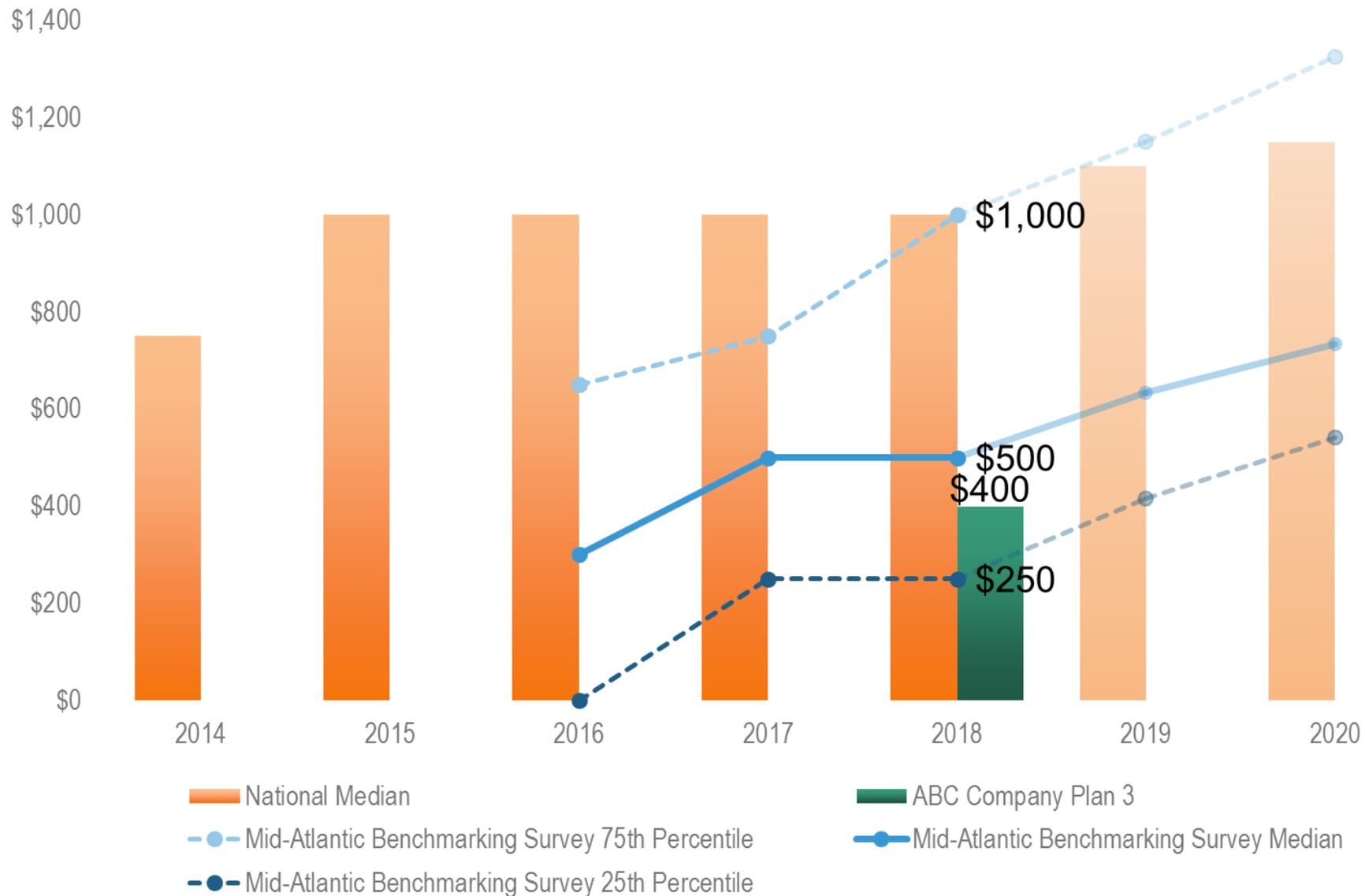
NUMBER OF PLANS OFFERED



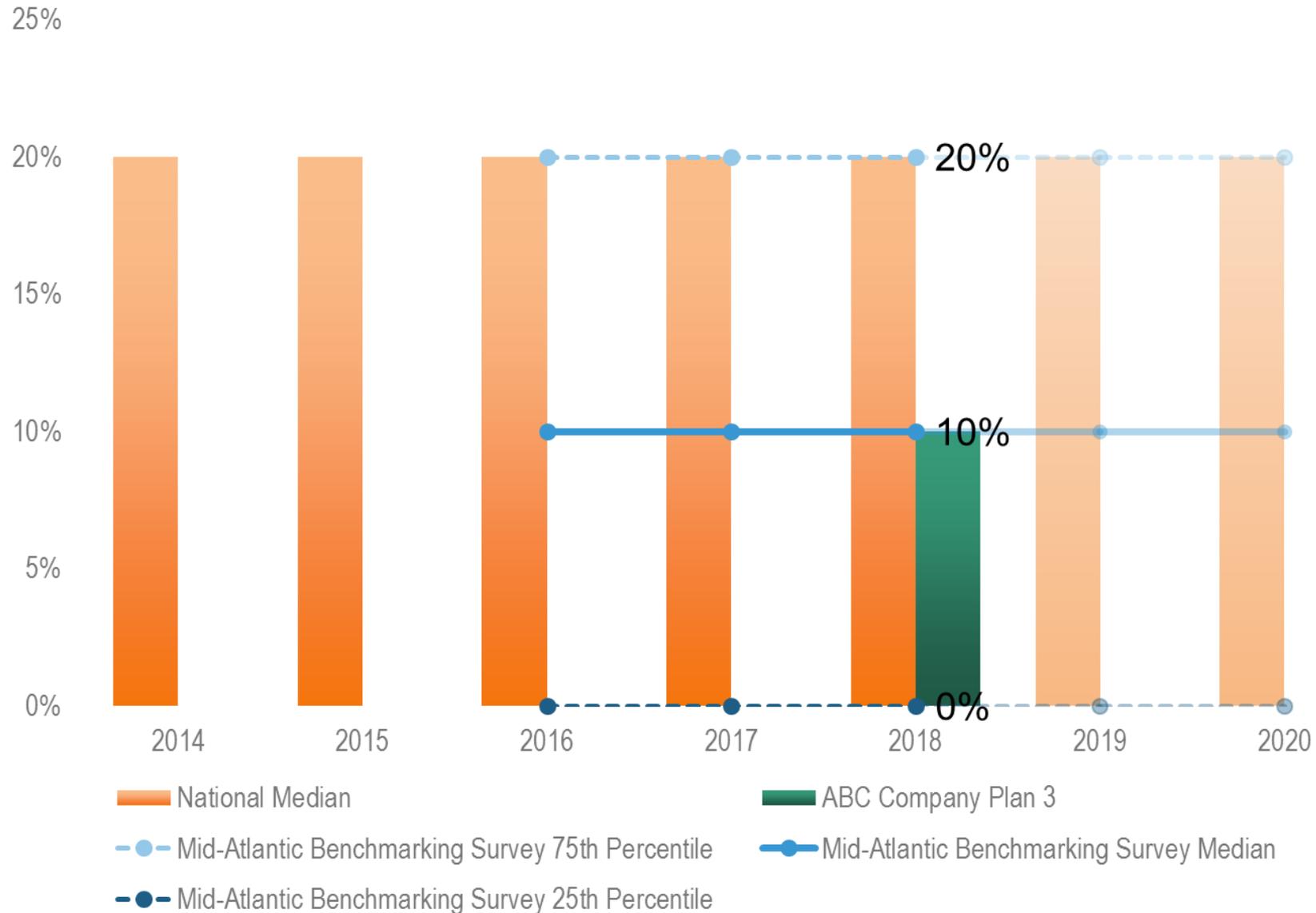
ABC Company offers 3 plans

Based on the 2018 Mid-Atlantic Benchmarking Survey responses

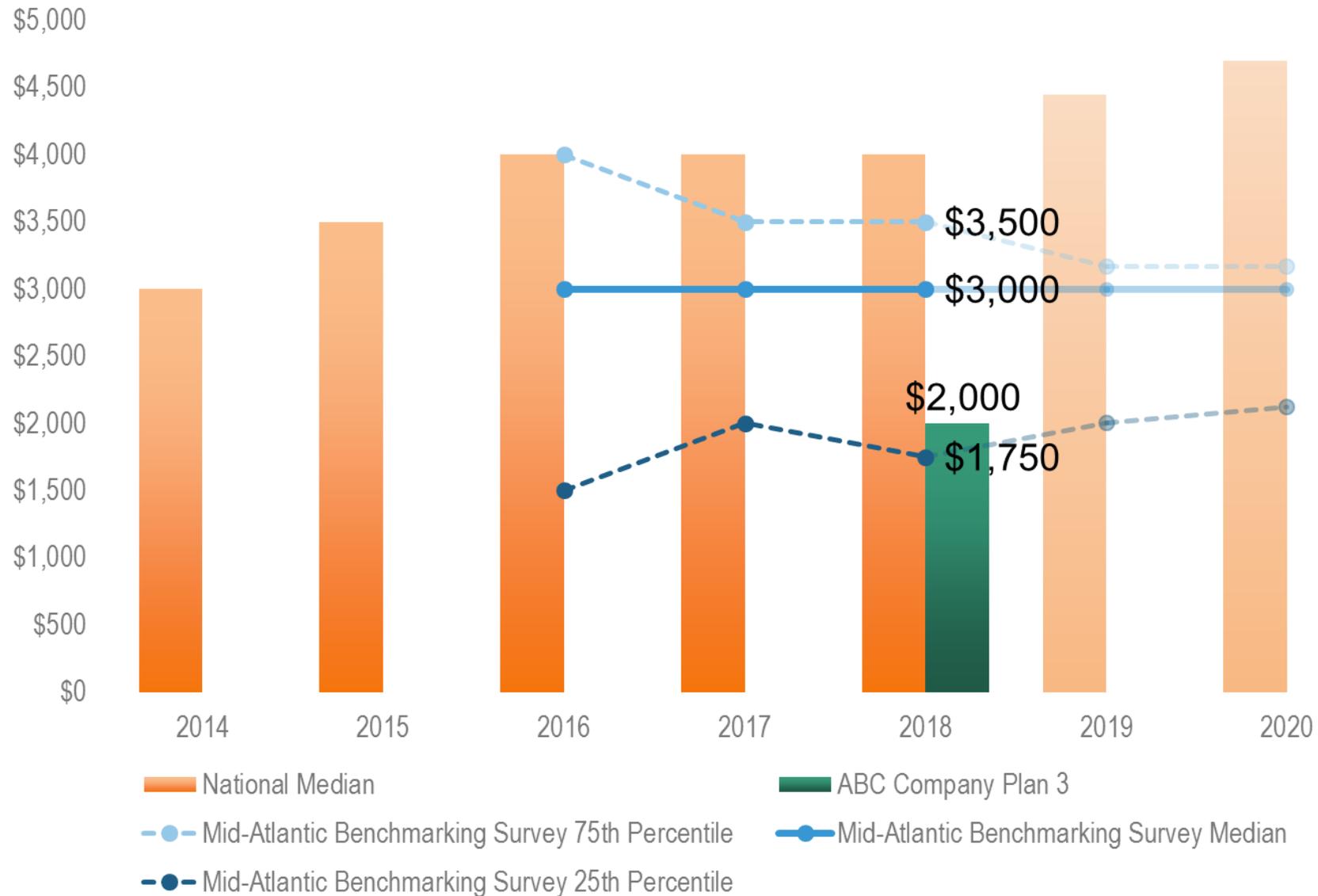
DEDUCTIBLE | PPO Plans (in-network)



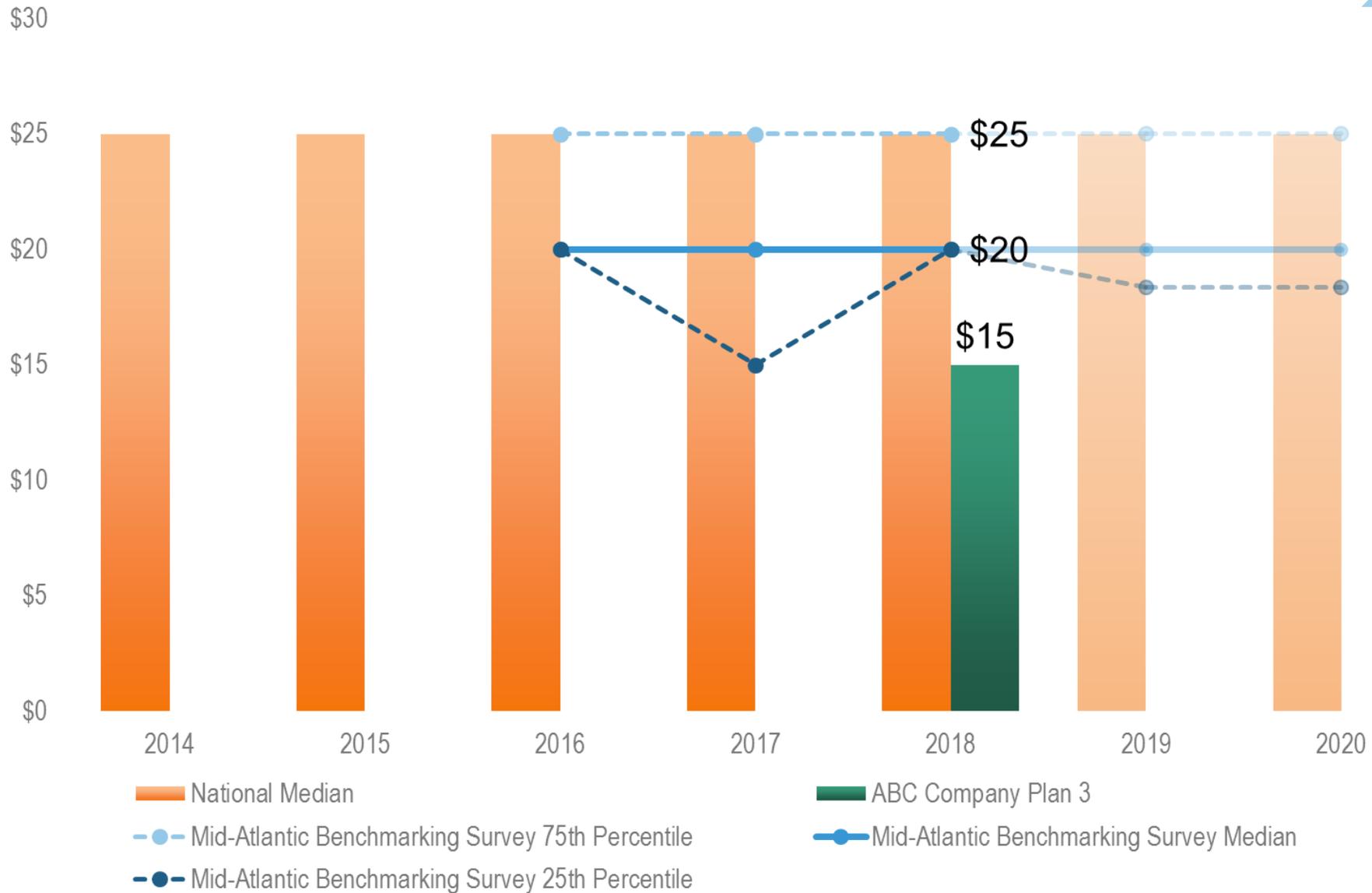
COINSURANCE | PPO Plans (in-network)



OUT-OF-POCKET MAX | PPO Plans (in-network)



OFFICE VISIT COPAY | PPO Plans (in-network)

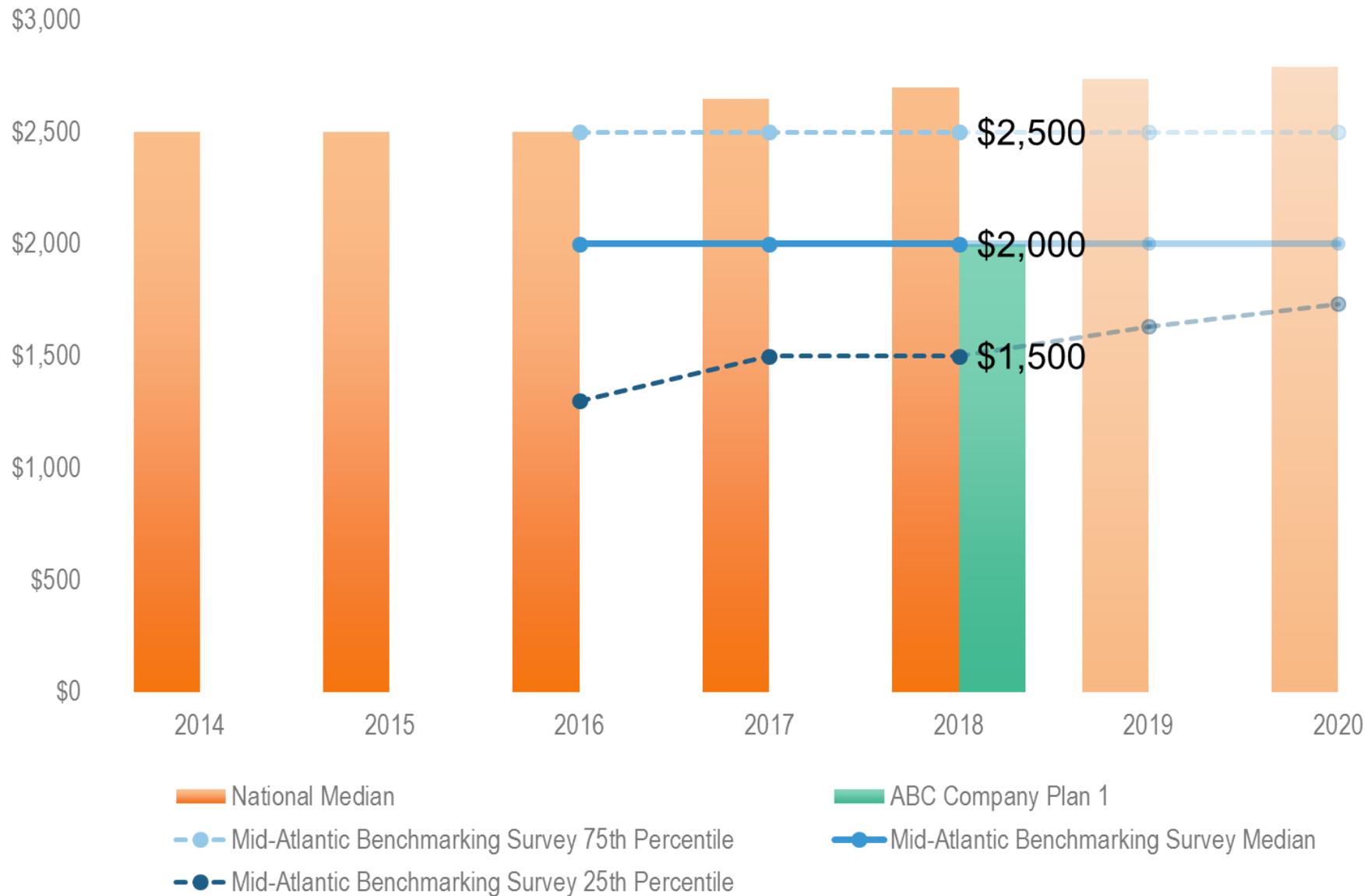


MEDICAL PLAN SUMMARY | PPO Plans

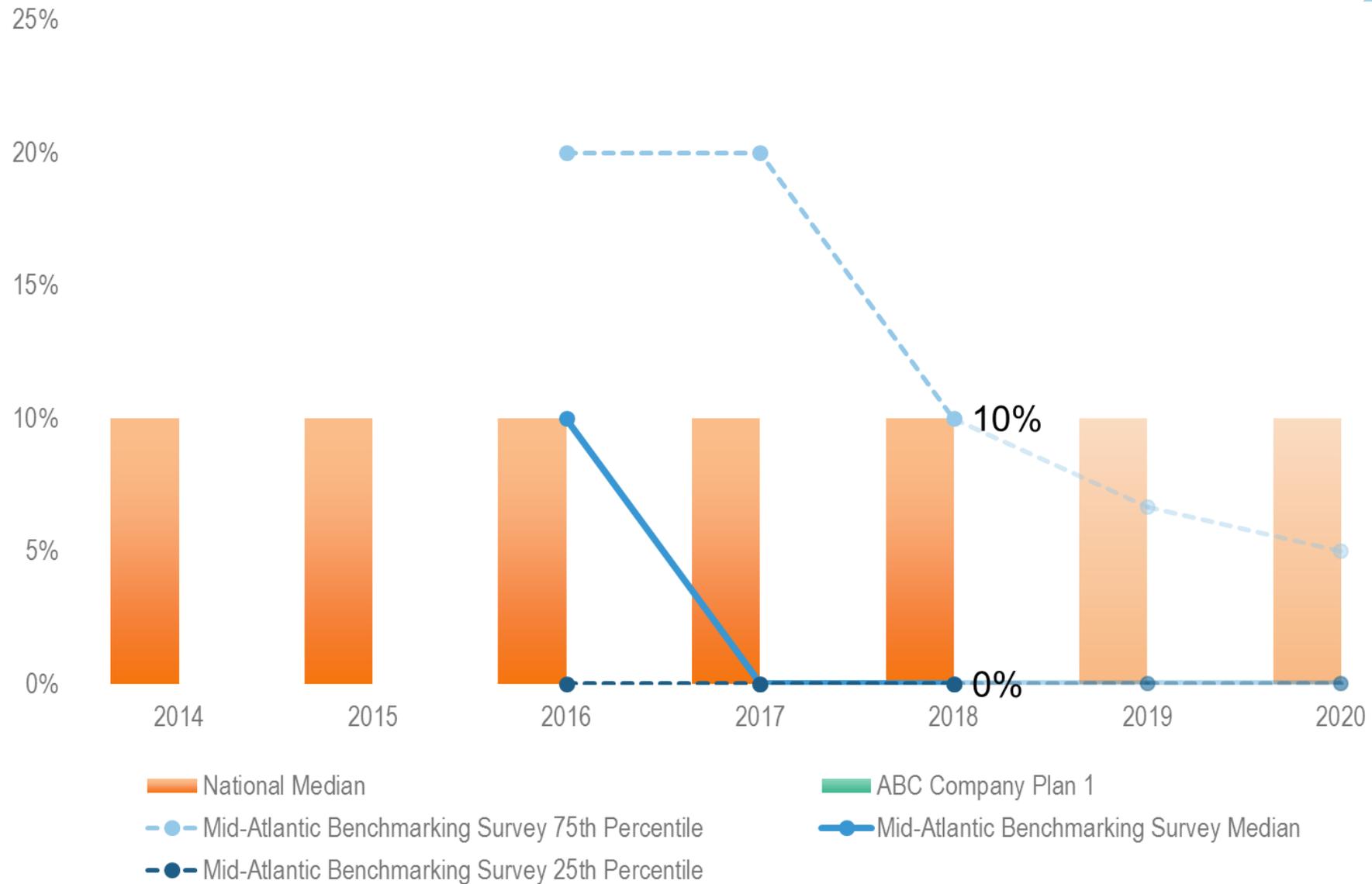


	2018 Mid-Atlantic Benchmarking Survey	2018 National	2018 ABC Company
Deductible	\$500/\$1,000	\$1,000/\$2,000	\$400/\$800
Coinsurance	10%/30%	20%/40%	10%/20%
OOP Max	\$3,000/\$5,000	\$4,000/\$7,650	\$2,000/\$4,500
Office Visit Copay	\$20	\$25	\$15
Specialist Copay	\$35	\$40	\$25
Rx Copays (retail)	\$10/\$35/\$60/\$100	\$10/\$35/\$60/\$100	\$15/\$35/\$60/\$100

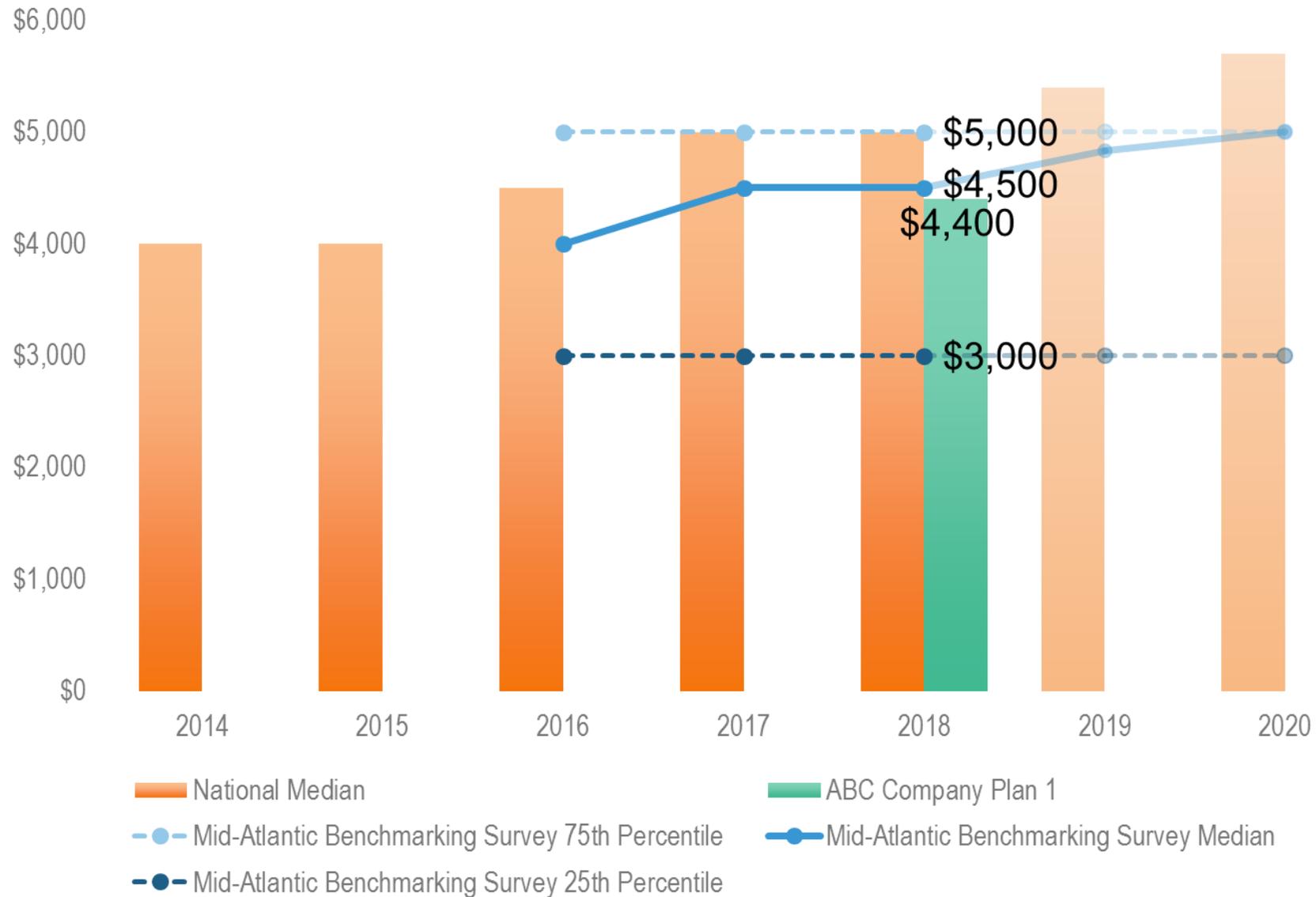
DEDUCTIBLE | HDHP Plans (in-network)



COINSURANCE | HDHP Plans (in-network)



OUT-OF-POCKET MAX | HDHP Plans (in-network)

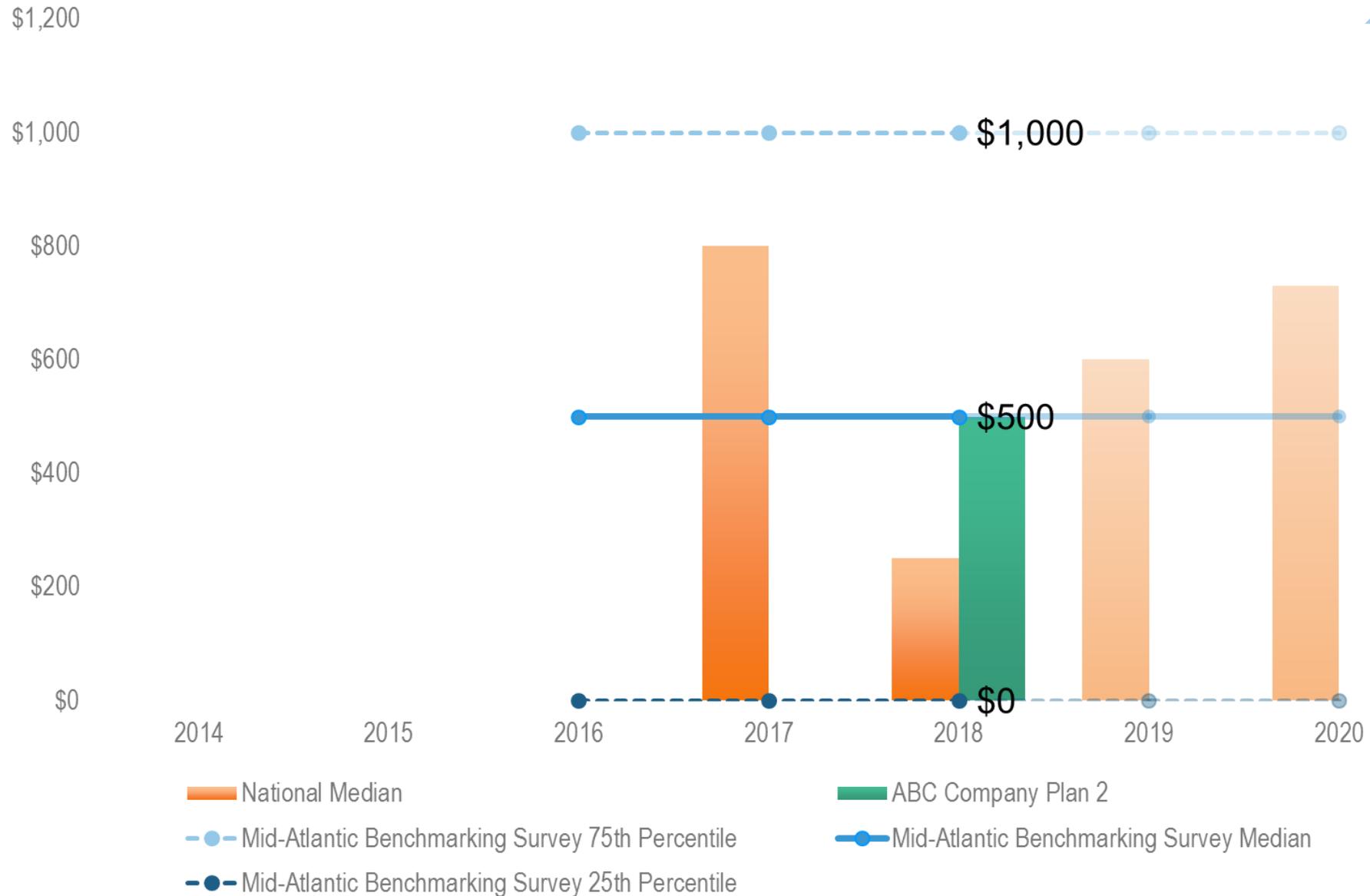


MEDICAL PLAN SUMMARY | HDHP Plans

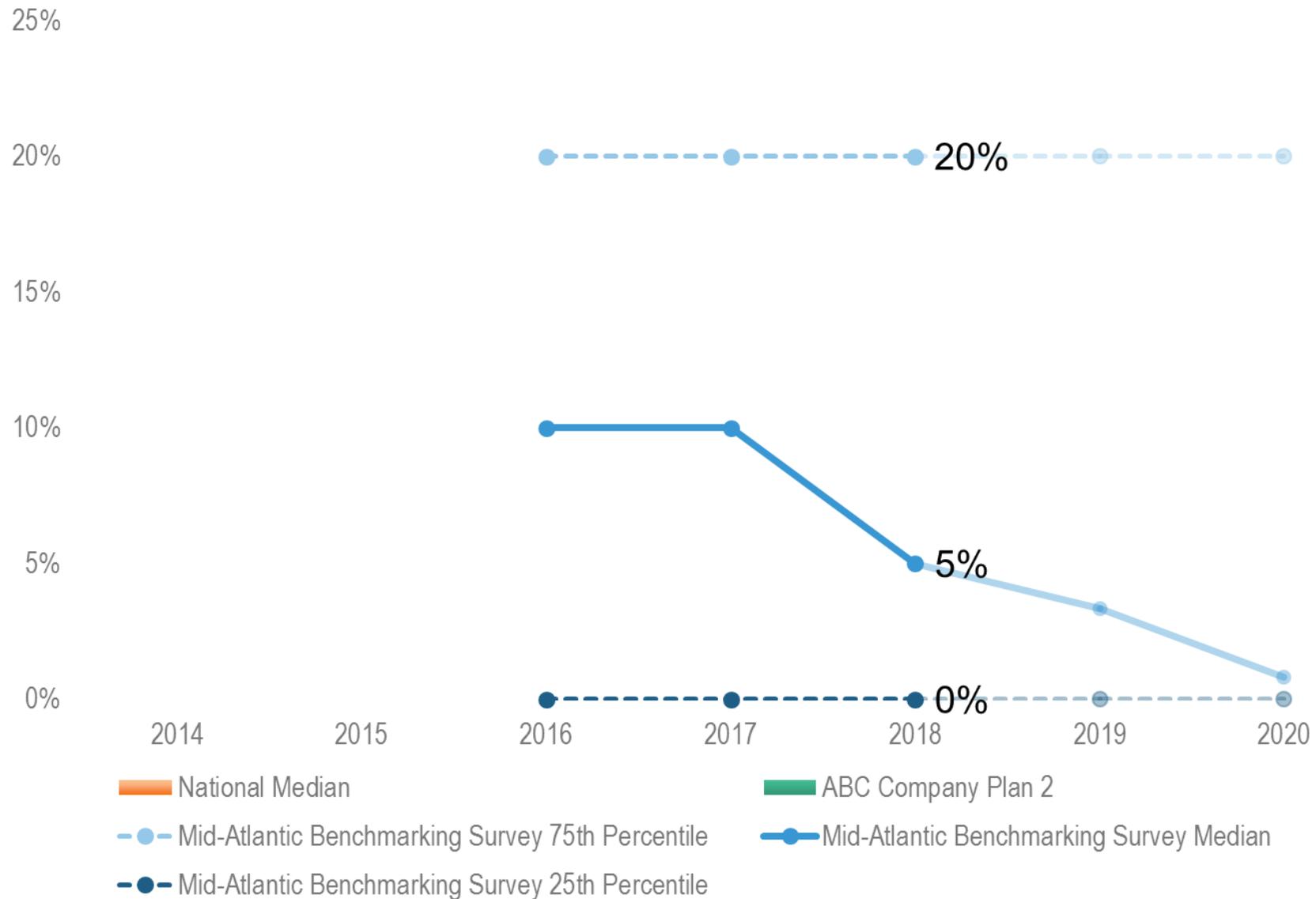


	2018 Mid-Atlantic Benchmarking Survey	2018 National	2018 ABC Company
Deductible	\$2,000/\$3,125	\$2,700/\$5,000	\$2,000/\$3,200
Coinsurance	0%/20%	10%/40%	0%/20%
OOP Max	\$4,500/\$6,000	\$5,000/\$10,000	\$4,400/\$6,000
	Employee Only/Family	Employee Only/Family	Employee Only/Family
Employer Contribution (HSA/HRA)	\$800/\$1,450	\$750/\$1,200	\$785/\$1,400

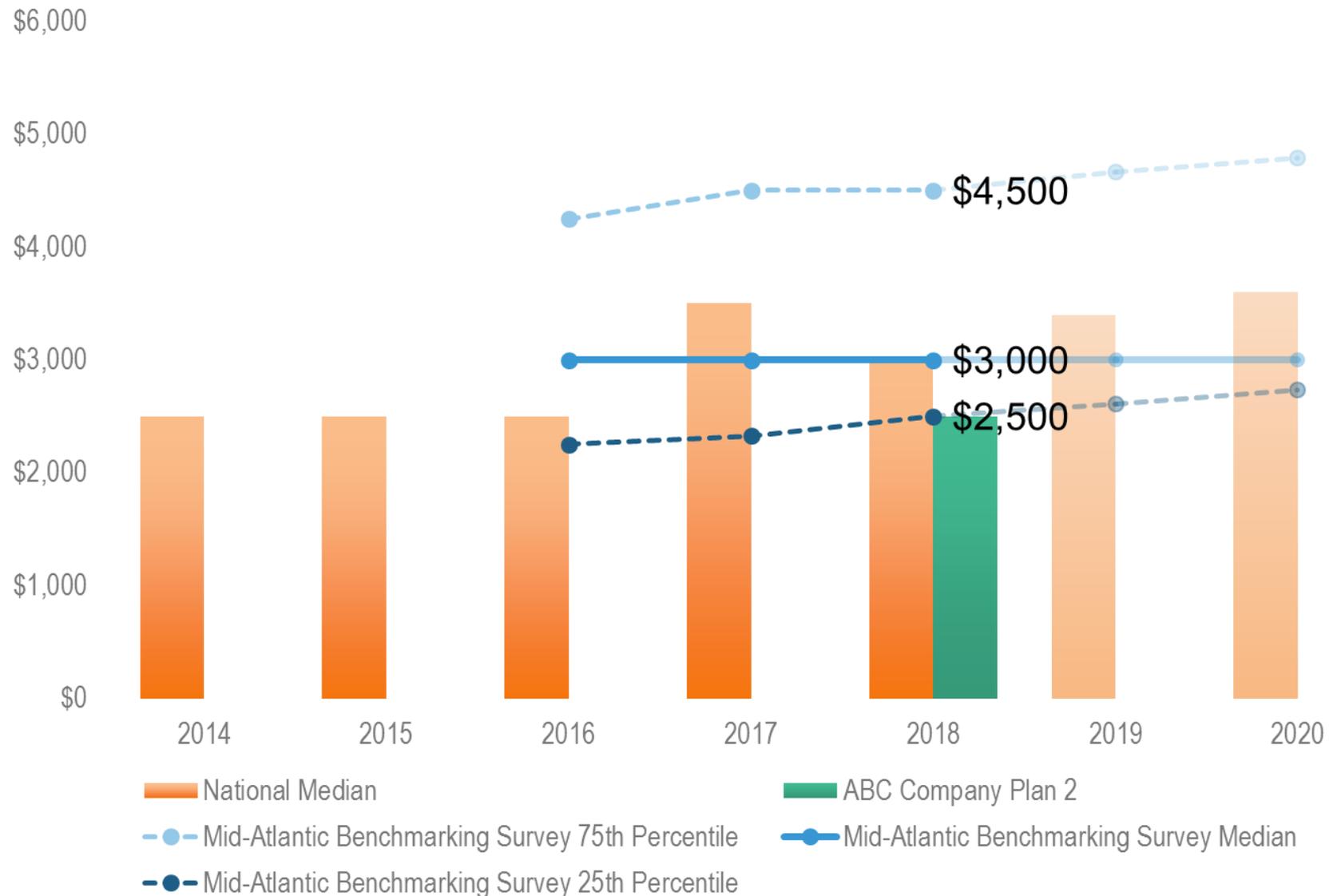
DEDUCTIBLE | HMO/EPO Plans (in-network)



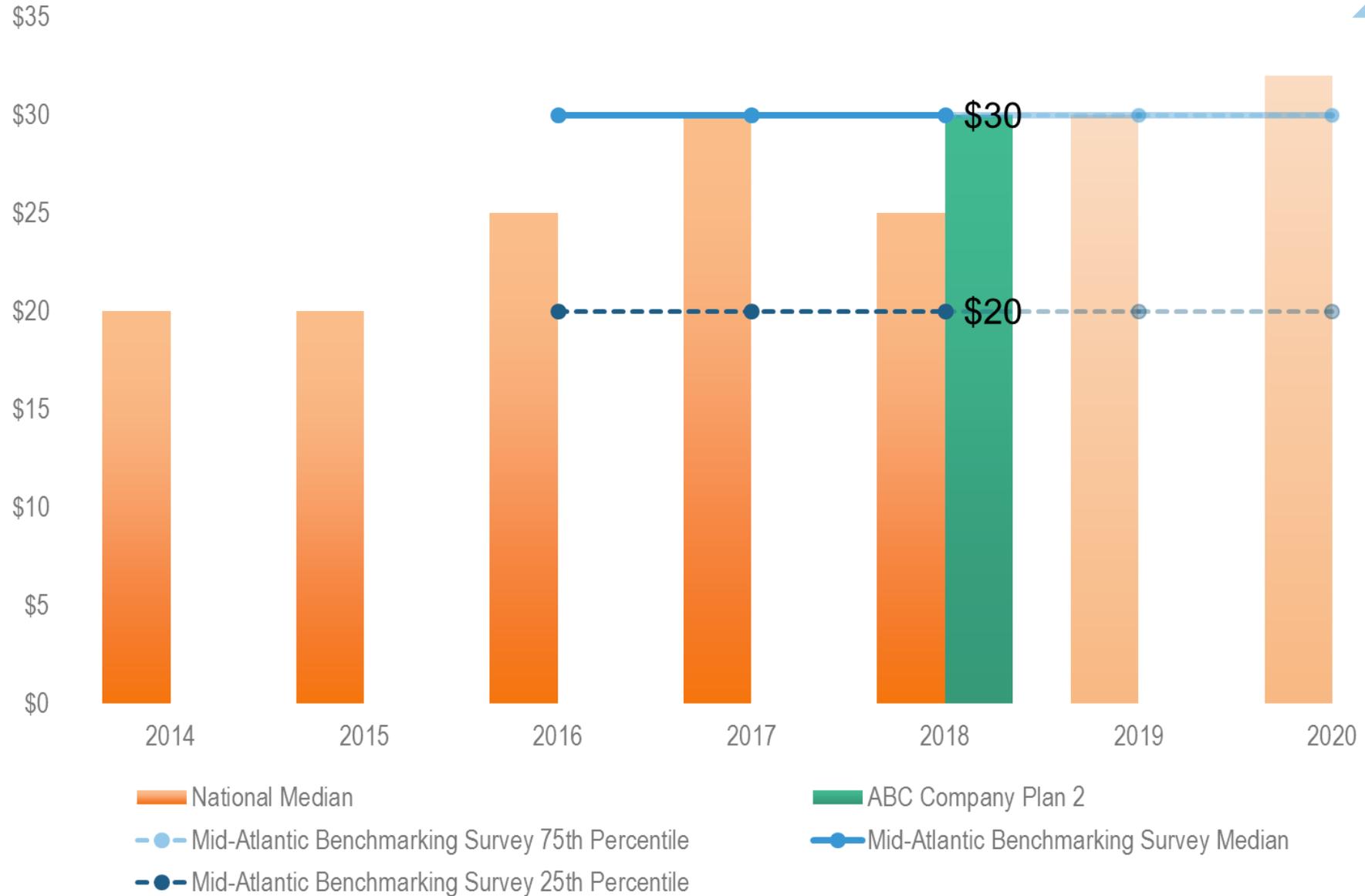
COINSURANCE | HMO/EPO Plans (in-network)



OUT-OF-POCKET MAX | HMO/EPO Plans (in-network)



OFFICE VISIT COPAY | HMO/EPO Plans (in-network)

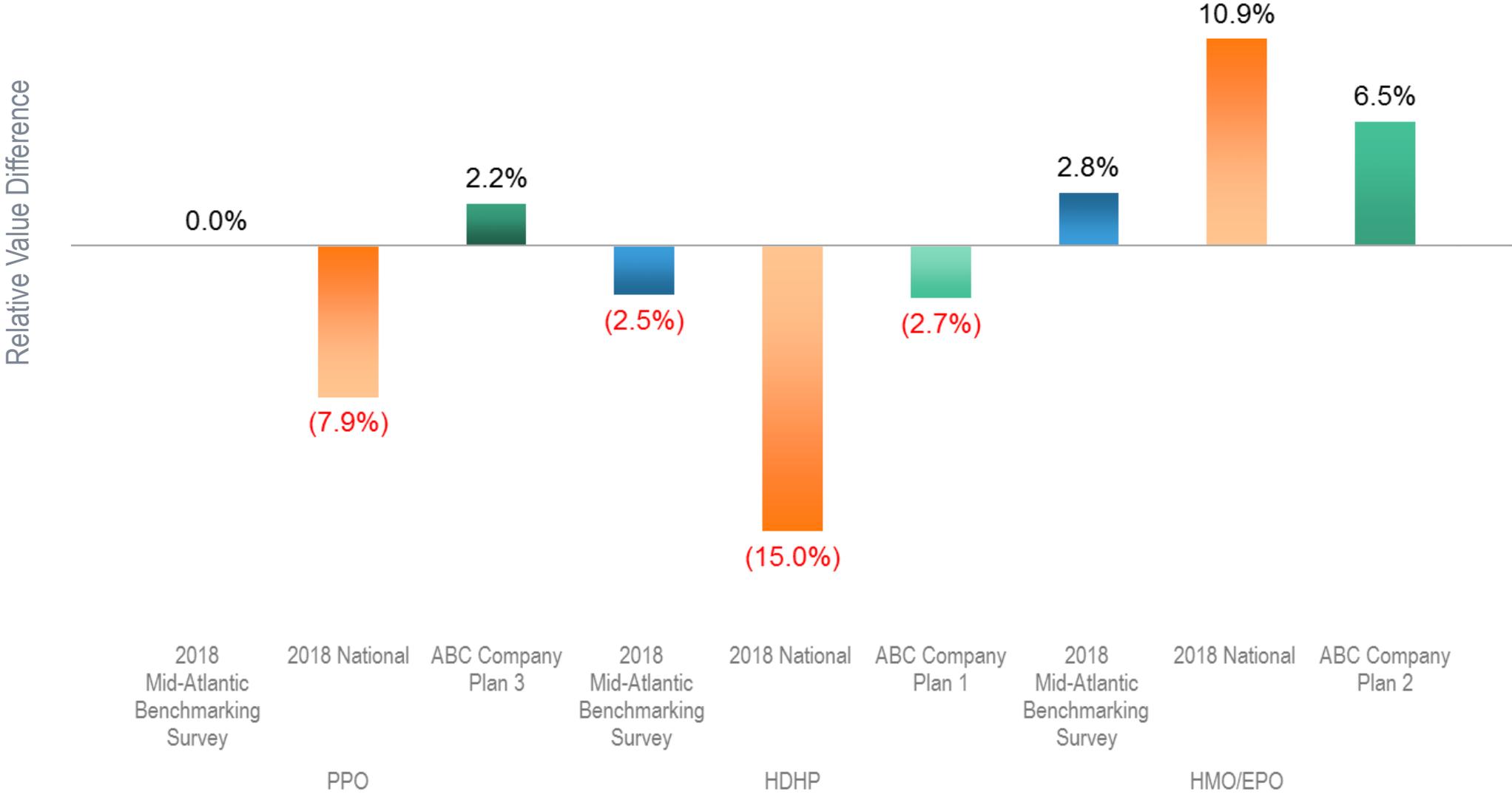


MEDICAL PLAN SUMMARY | HMO/EPO Plans

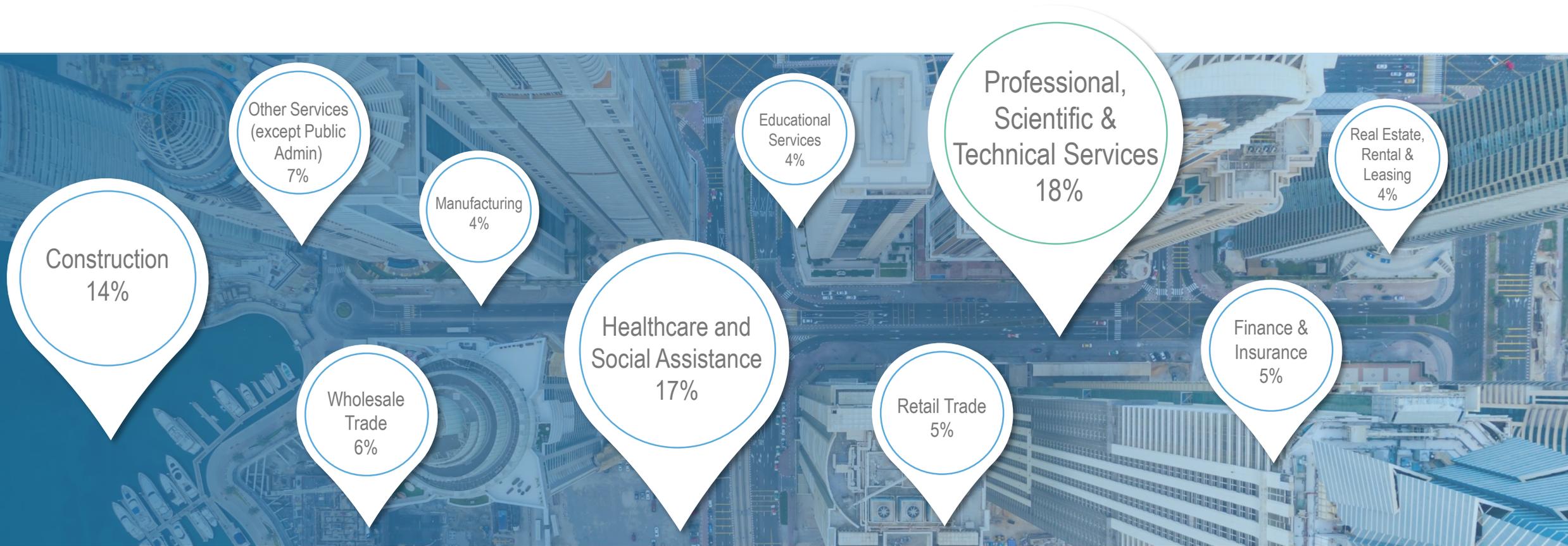


	2018 Mid-Atlantic Benchmarking Survey	2018 National	2018 ABC Company
Deductible	\$500	\$250	\$500
Coinsurance	5%	0%	0%
OOP Max	\$3,000	\$3,000	\$2,500
Office Visit Copay	\$30	\$25	\$30
Specialist Copay	\$40	\$40	\$40
Rx Copays (retail)	\$15/\$35/\$60/\$150	\$10/\$35/\$50/\$100	\$15/\$35/\$60/\$150

RELATIVE VALUE OF PLAN DESIGNS



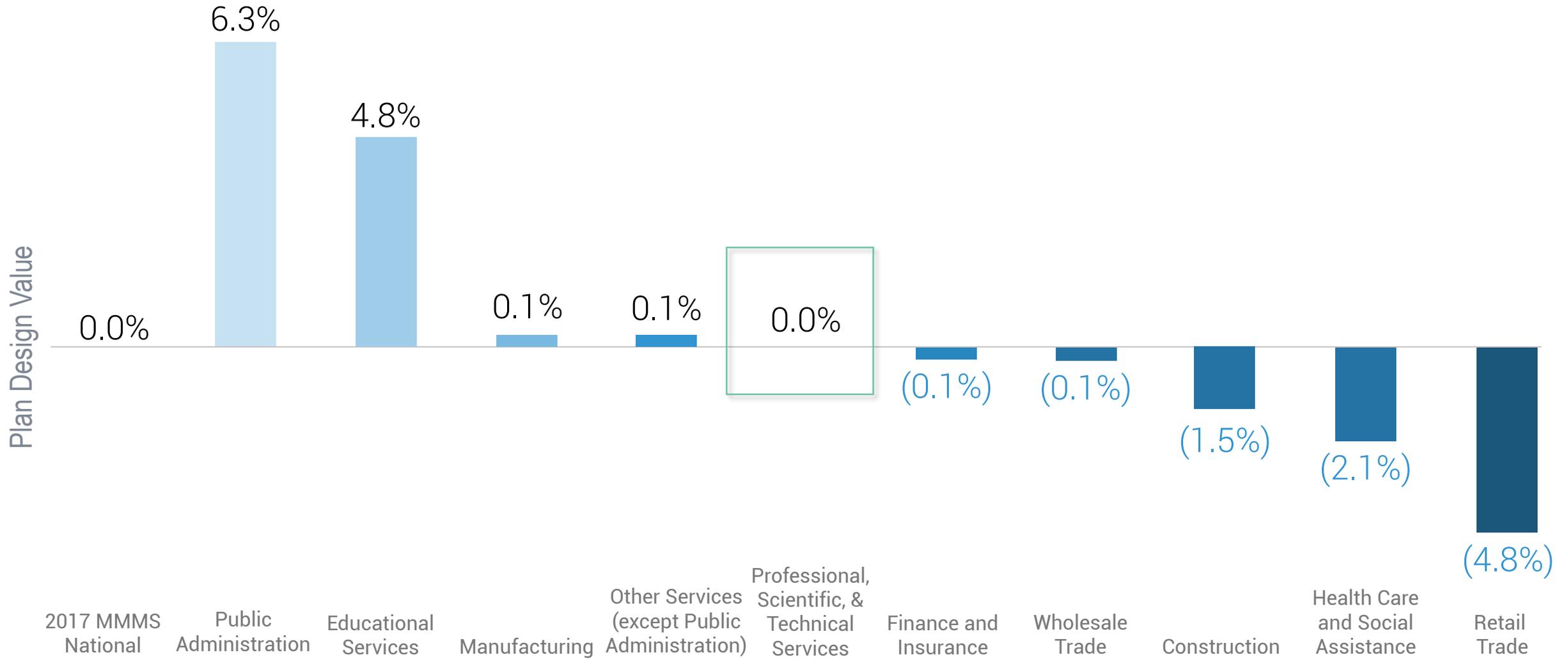
INDUSTRY BREAKDOWN



ABC Company is in the Professional, Scientific & Technical Services Industry

Based on the 2018 Mid-Atlantic Benchmarking Survey responses

INDUSTRY PPO RELATIVE VALUES | 2017 National



The Professional, Scientific & Technical Services benefits match 2017 National

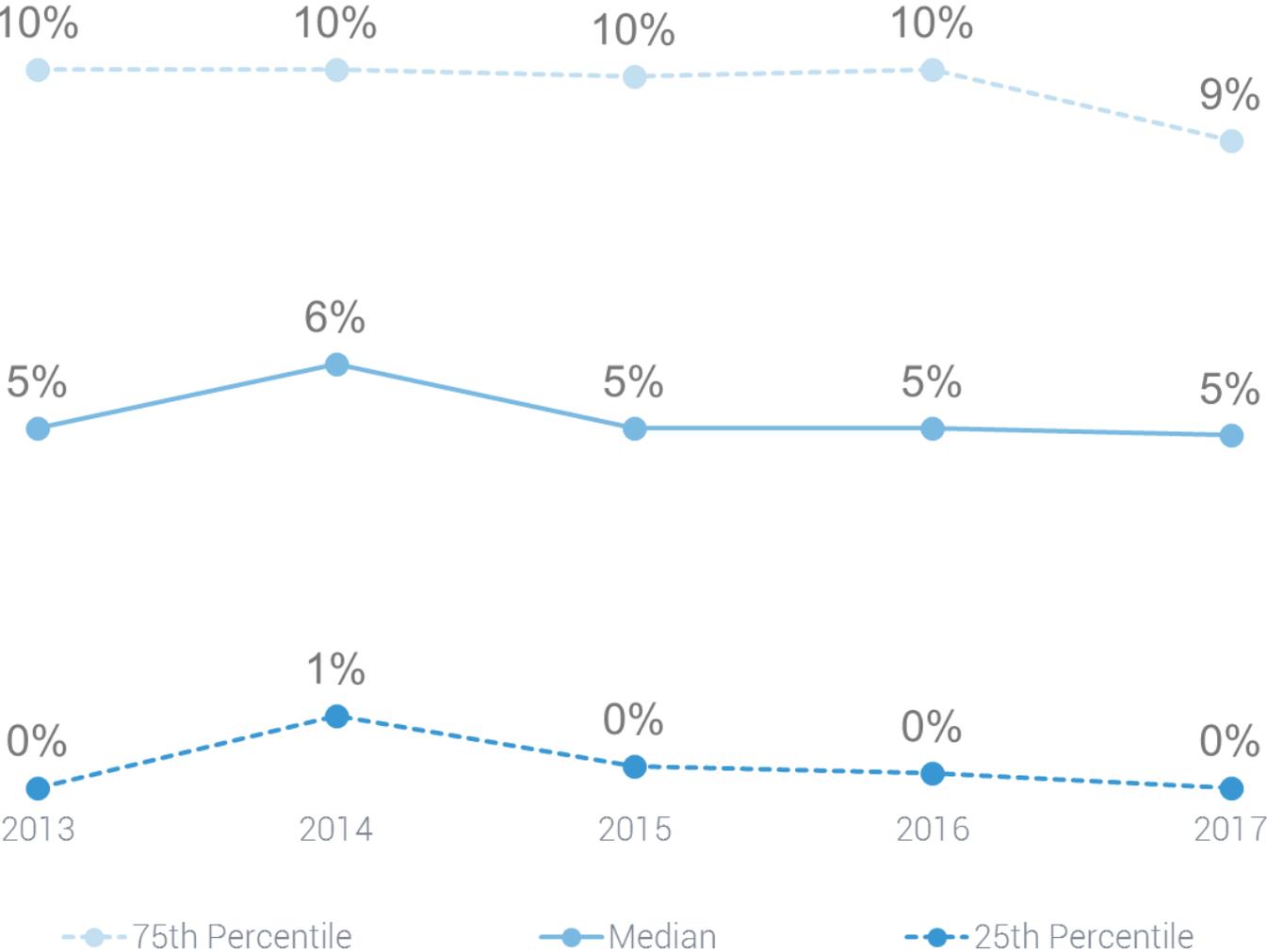
DENTAL PLAN SUMMARY | DPPO Plans



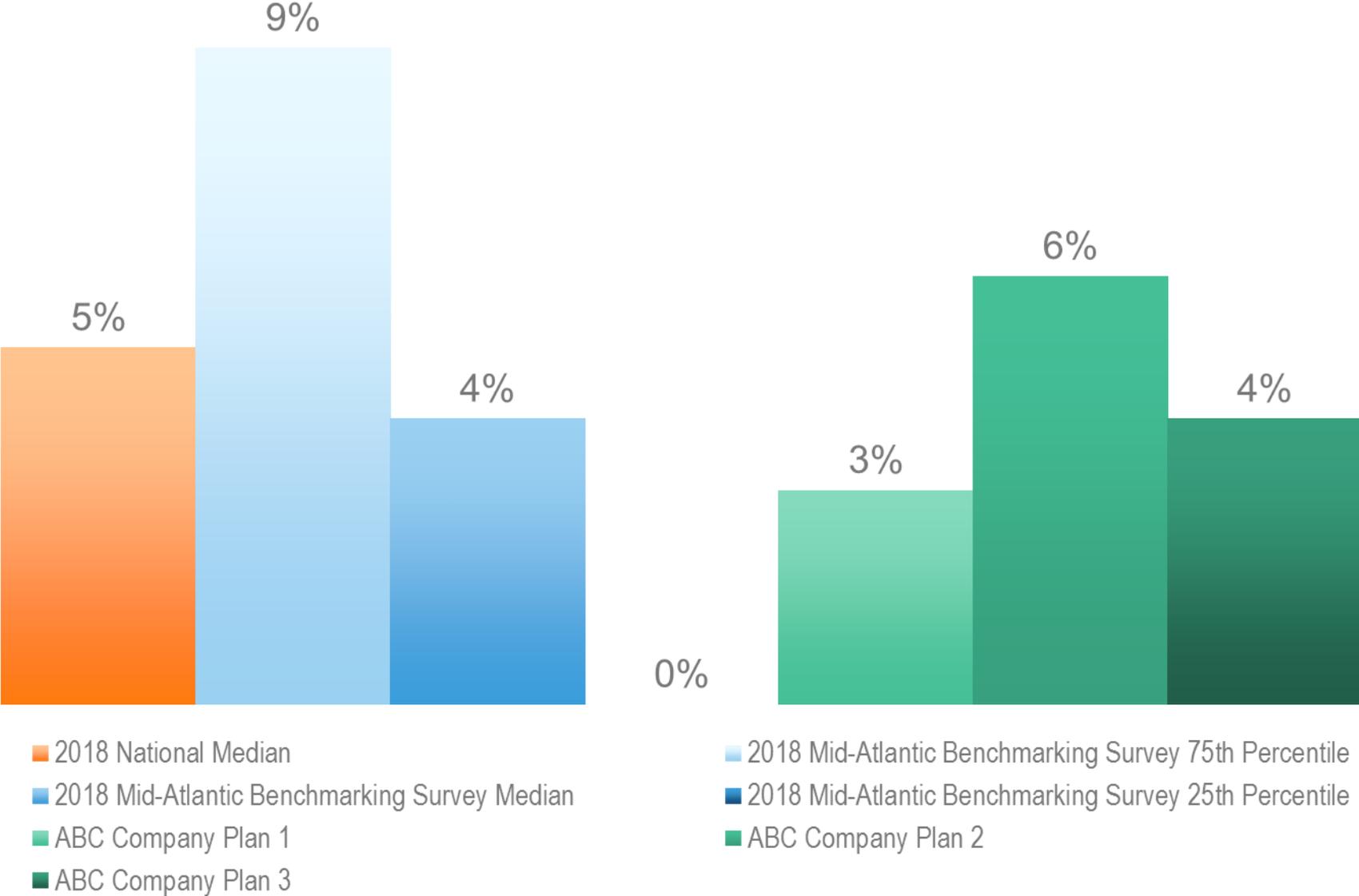
	2018 Mid-Atlantic Benchmarking Survey	2018 National	2018 ABC Company
Deductible	\$50/\$50	\$50/\$50	\$50/\$50
Coinsurance	Preventative	0%	0%
	Basic	20%	0%
	Major	50%	0%
	Orthodontia	50%	0%
Annual Max	\$1,500/\$1,500	\$1,500/\$1,500	\$1,500/\$1,500
Ortho Max	\$1,000/\$1,000	\$1,000/\$1,000	\$1,500/\$1,500

HEALTHCARE INFLATION

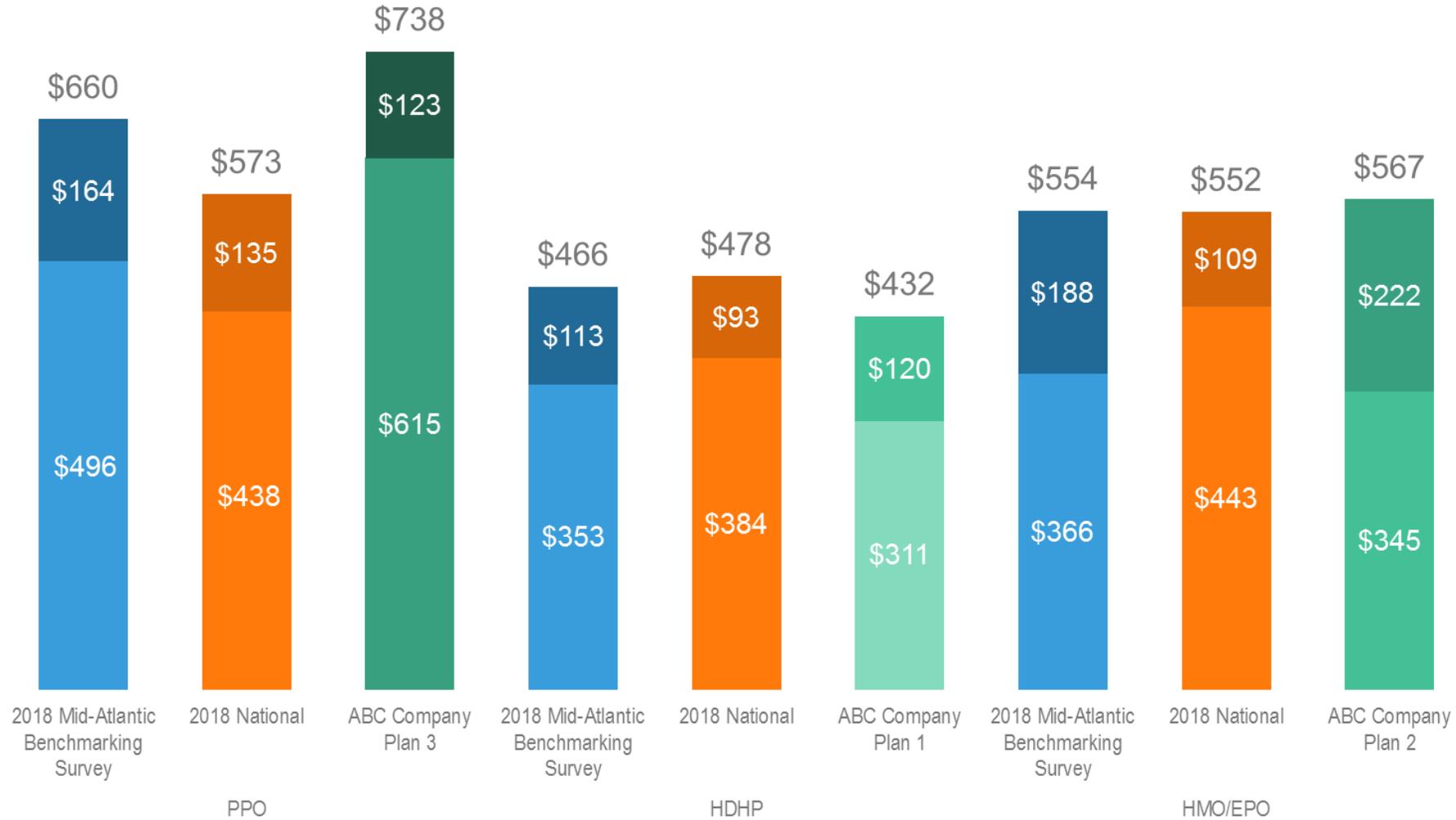
National Historical



FINAL AFTER ALL PLAN DESIGN CHANGES

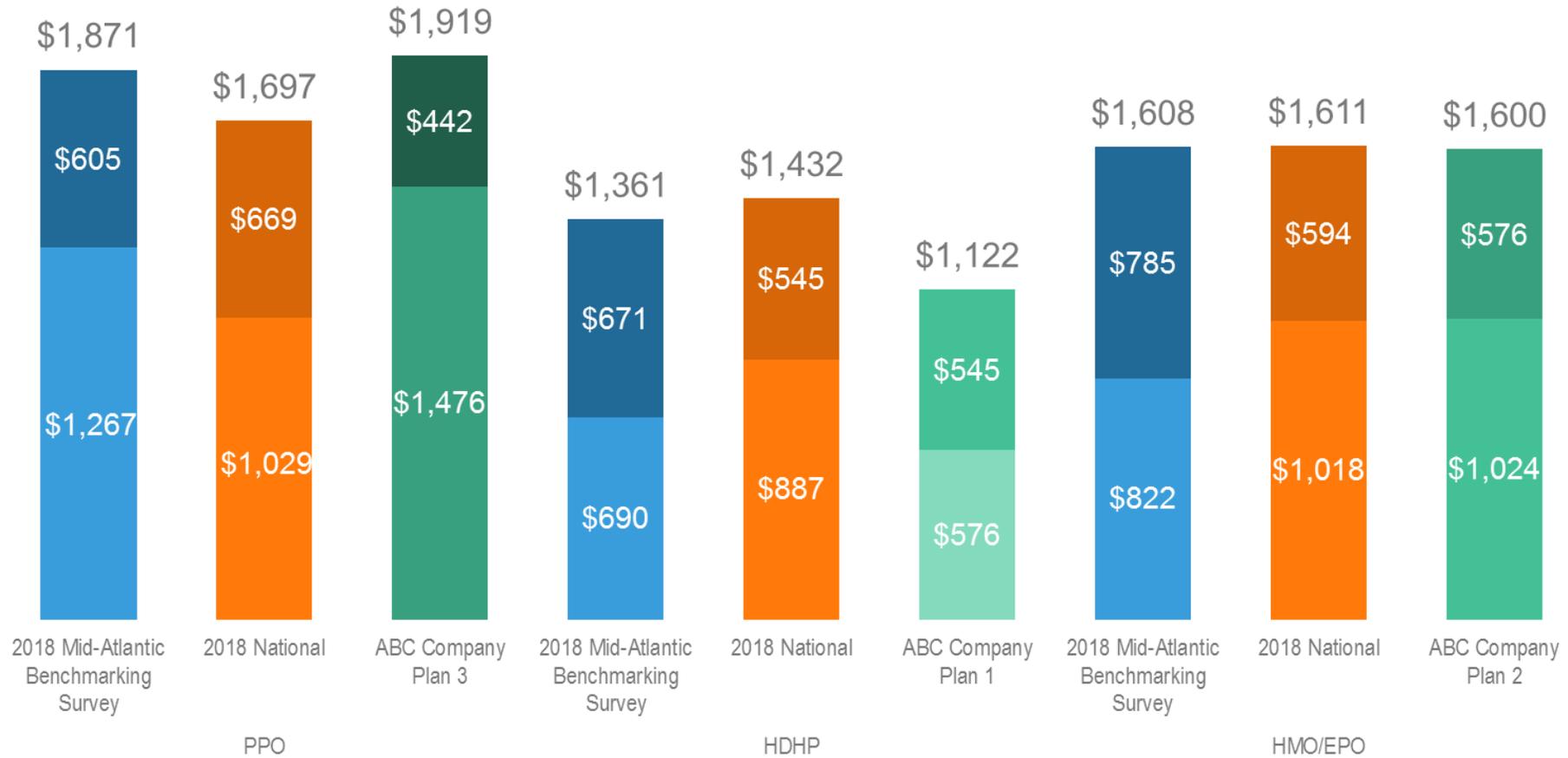


COMPARISON OF TOTAL PREMIUM | Employee Only



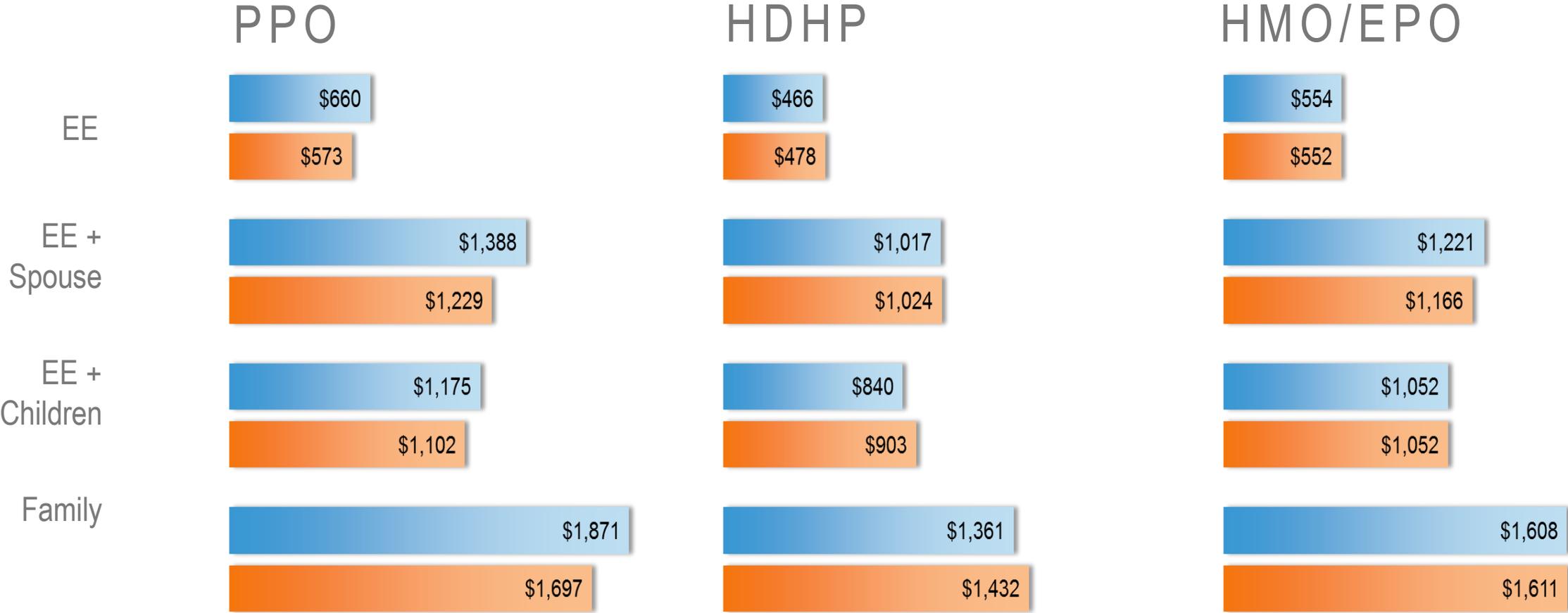
Top Portion: Employee Contribution; Bottom Portion: Employer Contribution

COMPARISON OF TOTAL PREMIUM | Family

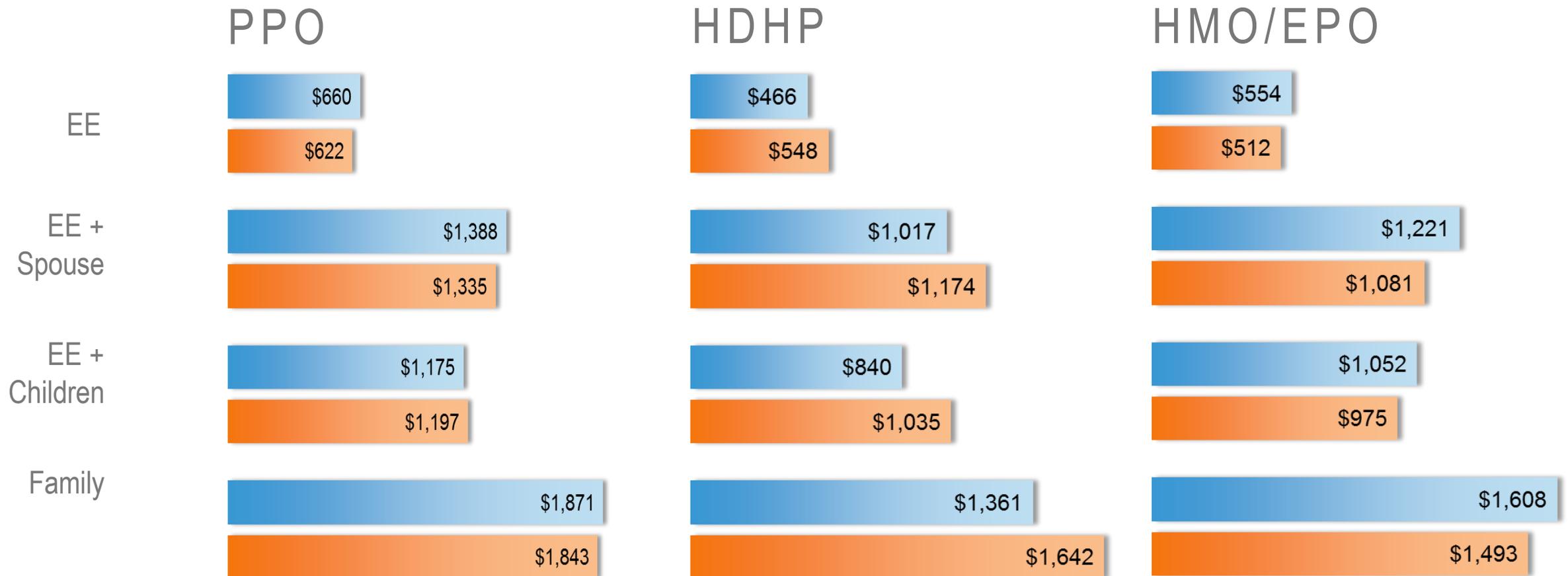


Top Portion: Employee Contribution; Bottom Portion: Employer Contribution

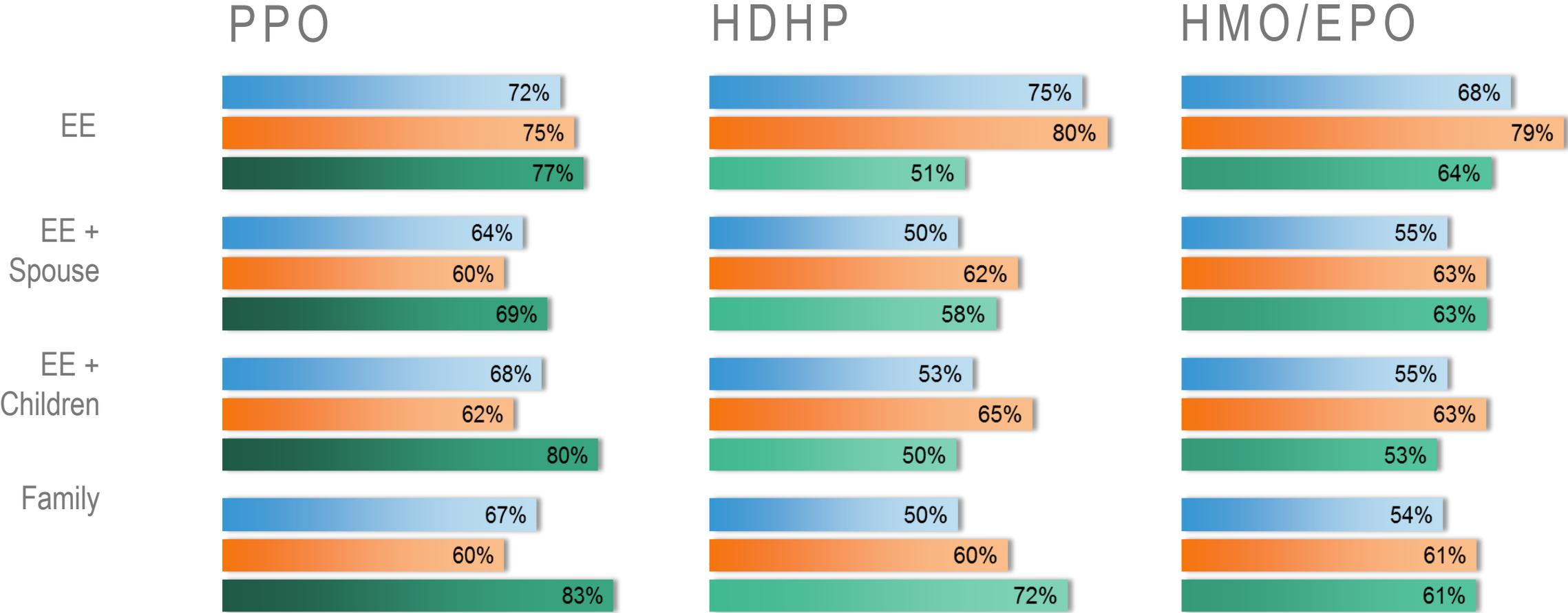
PREMIUM SUMMARY BY PLAN TYPE



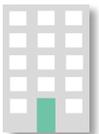
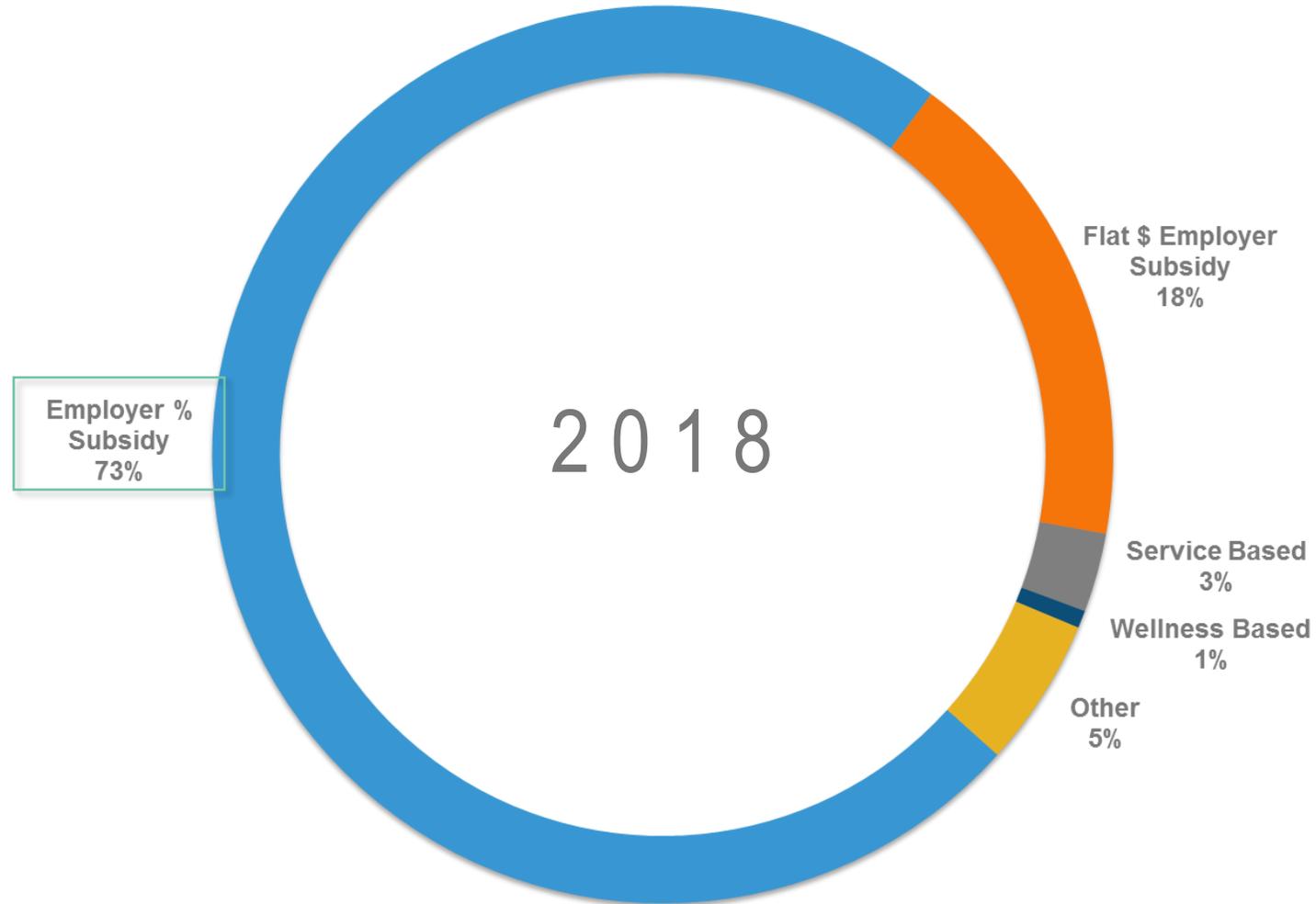
PREMIUM SUMMARY BY PLAN TYPE | Area Adjusted



CONTRIBUTION SUMMARY BY PLAN TYPE



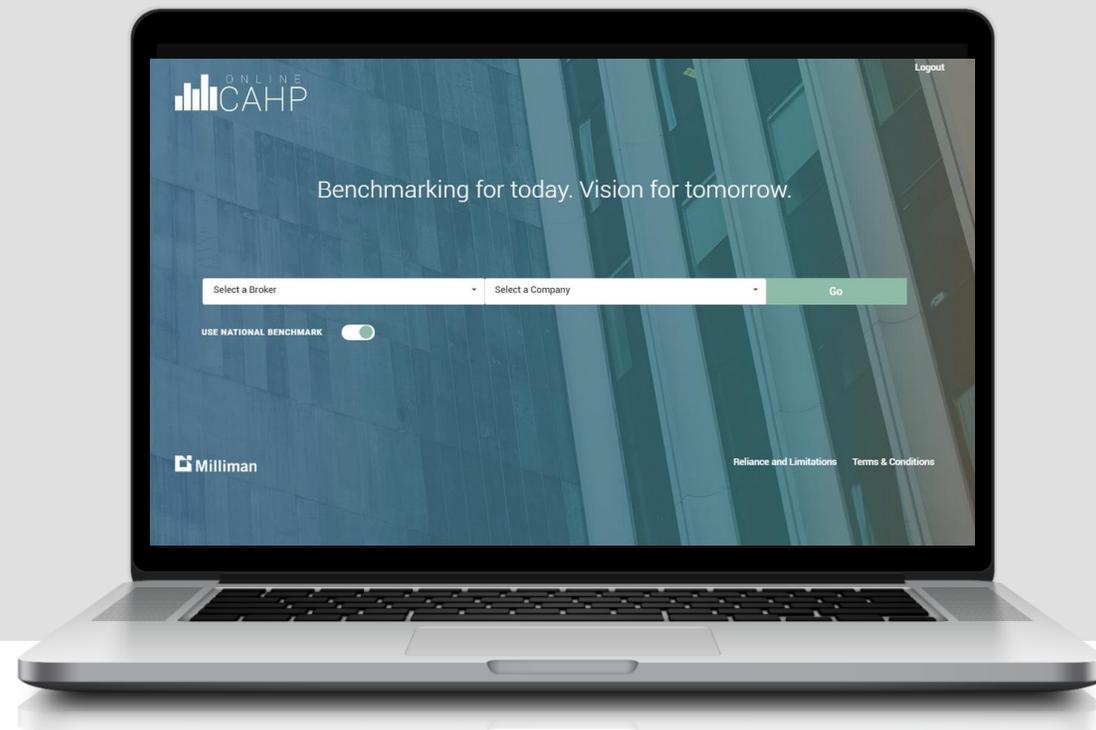
CONTRIBUTION STRATEGIES



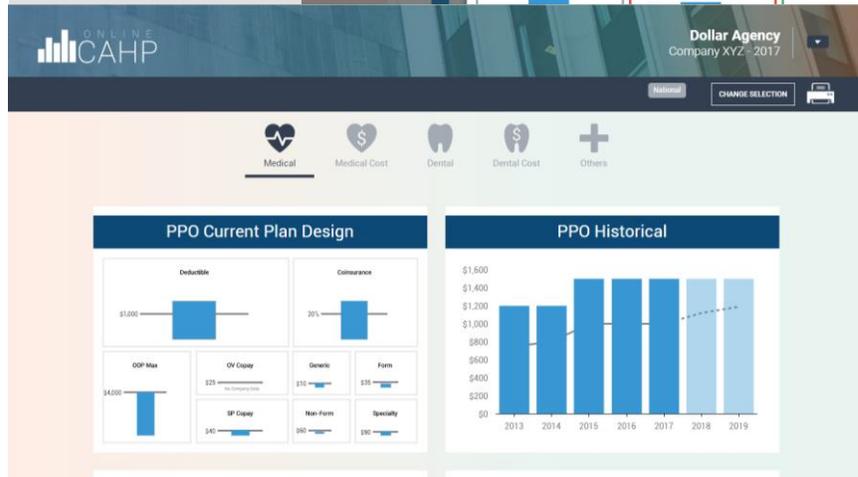
ABC Company offers an Employer % Subsidy

Based on the 2018 Mid-Atlantic Benchmarking Survey responses

CAHP DEMO



ONLINE CAHP

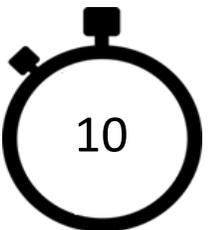
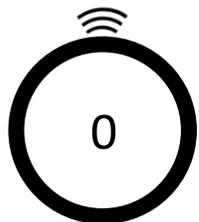
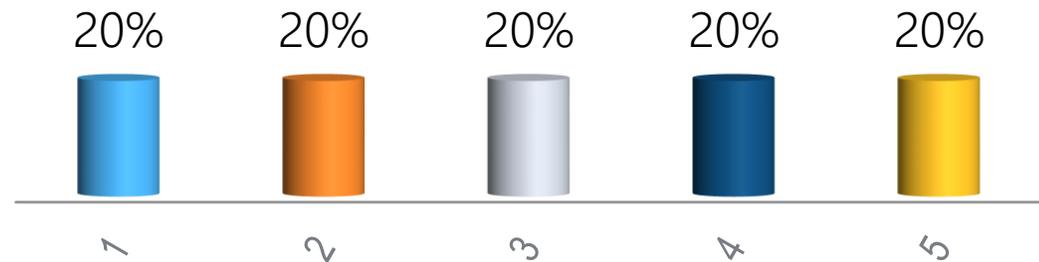


AUDIENCE POLL



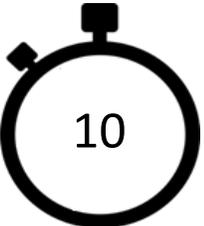
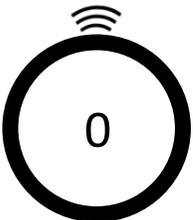
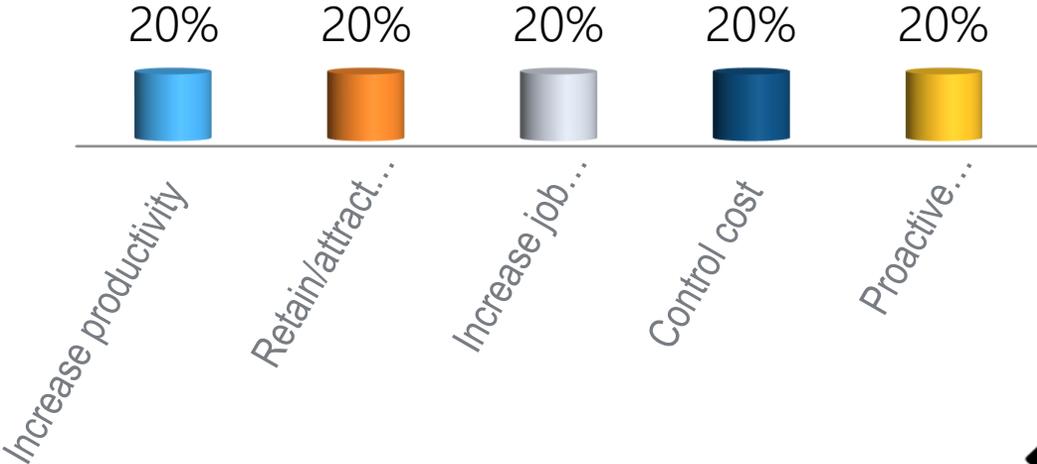
On a scale of 1-5 (5 being the best), how would you rate your health plans?

- 1. 1
- 2. 2
- 3. 3
- 4. 4
- 5. 5



What is the most important objective for your benefits package in 2018-2019?

- 1. Increase productivity
- 2. Retain/attract employees
- 3. Increase job satisfaction
- 4. Control cost
- 5. Proactive management of employees' health

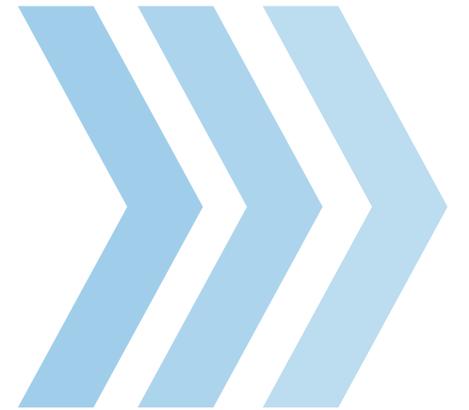




**HOW DO I
MANAGE COSTS
IN A VOLATILE
MARKET?**

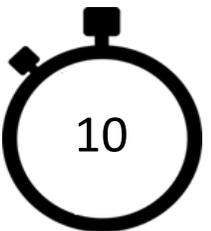
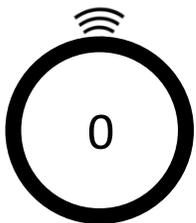
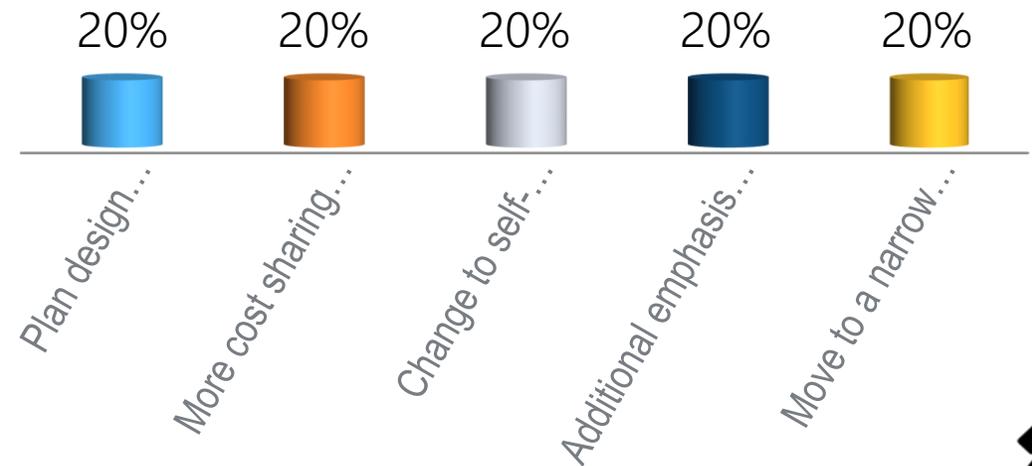


AUDIENCE POLL



What is your top strategy to combat the increases in healthcare in 2018?

1. Plan design changes/implement HDHP
2. More cost sharing with employees
3. Change to self-funded arrangement
4. Additional emphasis on wellness
5. Move to a narrow network plan





SELF INSURANCE

Let's take a hypothetical group of 353 employees...

	ENROLLMENT	PREMIUM RATES
EE	209	\$503
EE + Spouse	26	\$1,018
EE + Child(ren)	44	\$940
Family	74	\$1,708
	Composite	\$848

Total Annual Spend = \$3.6 million

FULLY INSURED

Claims Cost	\$649.20
Claims Administration, Margin, & Commission	\$89.03
Pooling Charge	\$59.35
Premium Tax	\$16.96
ACA (Insurer Fee)	\$33.06
ACA (PCORI Fee)	\$0.40

Total Premium: \$848
(PEPM)

SELF-INSURED

Claims Cost
\$649.60

Claims
Administration
\$61.38

Broker
Consulting Fee
\$34.19

Stop-Loss Premium
\$46.43

ACA
(PCORI Fee)
\$0.40

Total Premium: \$792
(PEPM)

Estimated \$237,000 Annual Savings

AGGRESSIVE PROJECTION

FULLY INSURED

Claims Cost	\$649.20
Claims Administration, Margin, & Commission	\$89.03
Pooling Charge	\$59.35
Premium Tax	\$16.96
ACA (Insurer Fee)	\$33.06
ACA (PCORI Fee)	\$0.40

Total Premium: \$848
(PEPM)

SELF-INSURED

Claims Cost
\$584.64

Claims
Administration
\$61.38

Broker
Consulting Fee
\$34.19

Stop-Loss Premium
\$46.43

ACA
(PCORI Fee)
\$0.40

Total Premium: \$727
(PEPM)

Estimated \$512,000 Annual Savings

CONSERVATIVE PROJECTION

FULLY INSURED

Claims Cost	\$649.20
Claims Administration, Margin, & Commission	\$89.03
Pooling Charge	\$59.35
Premium Tax	\$16.96
ACA (Insurer Fee)	\$33.06
ACA (PCORI Fee)	\$0.40

Total Premium: \$848
(PEPM)

SELF-INSURED

Claims Cost
\$746.58

Claims
Administration
\$61.38

Broker
Consulting Fee
\$34.19

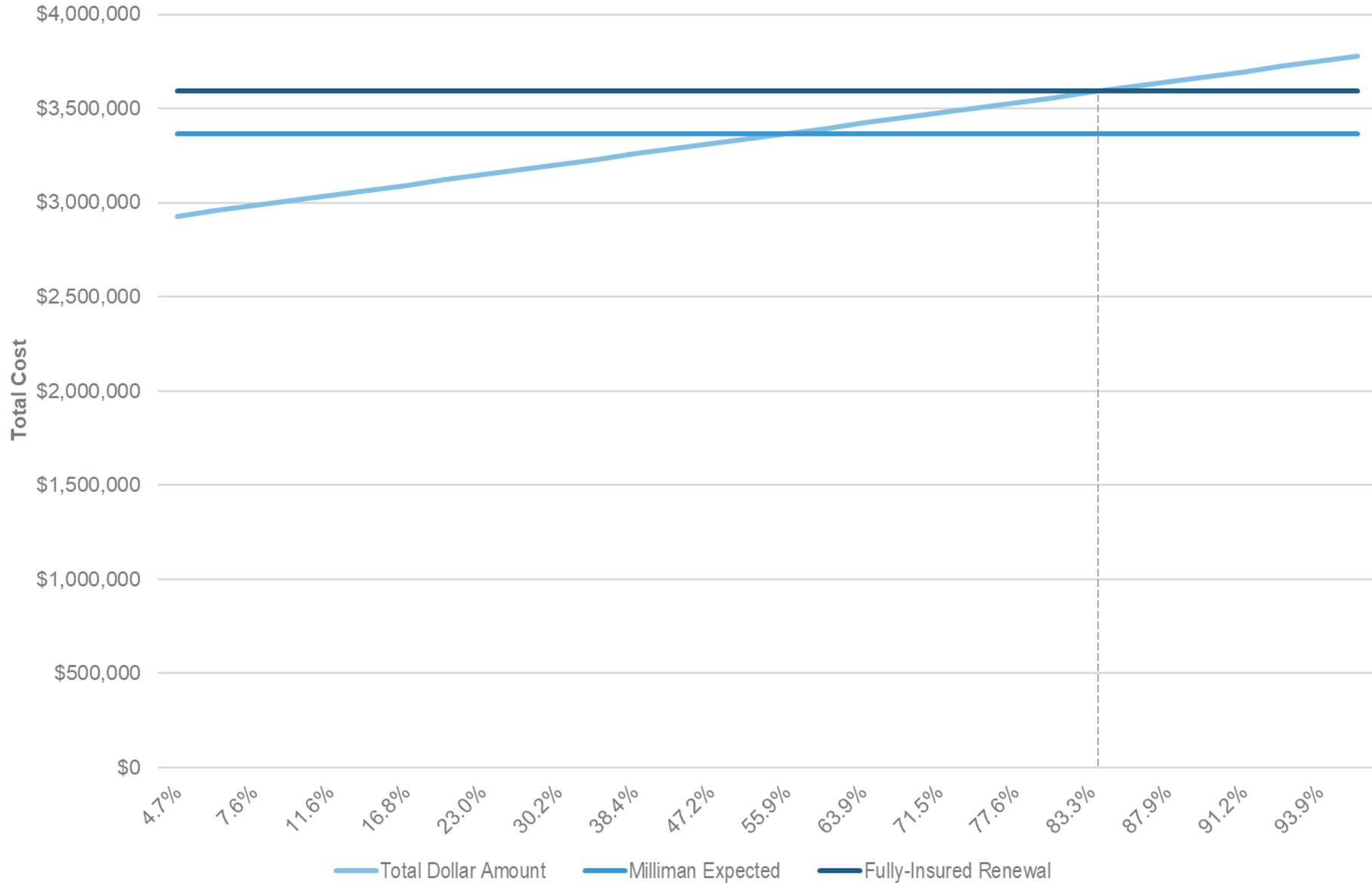
Stop-Loss Premium
\$46.43

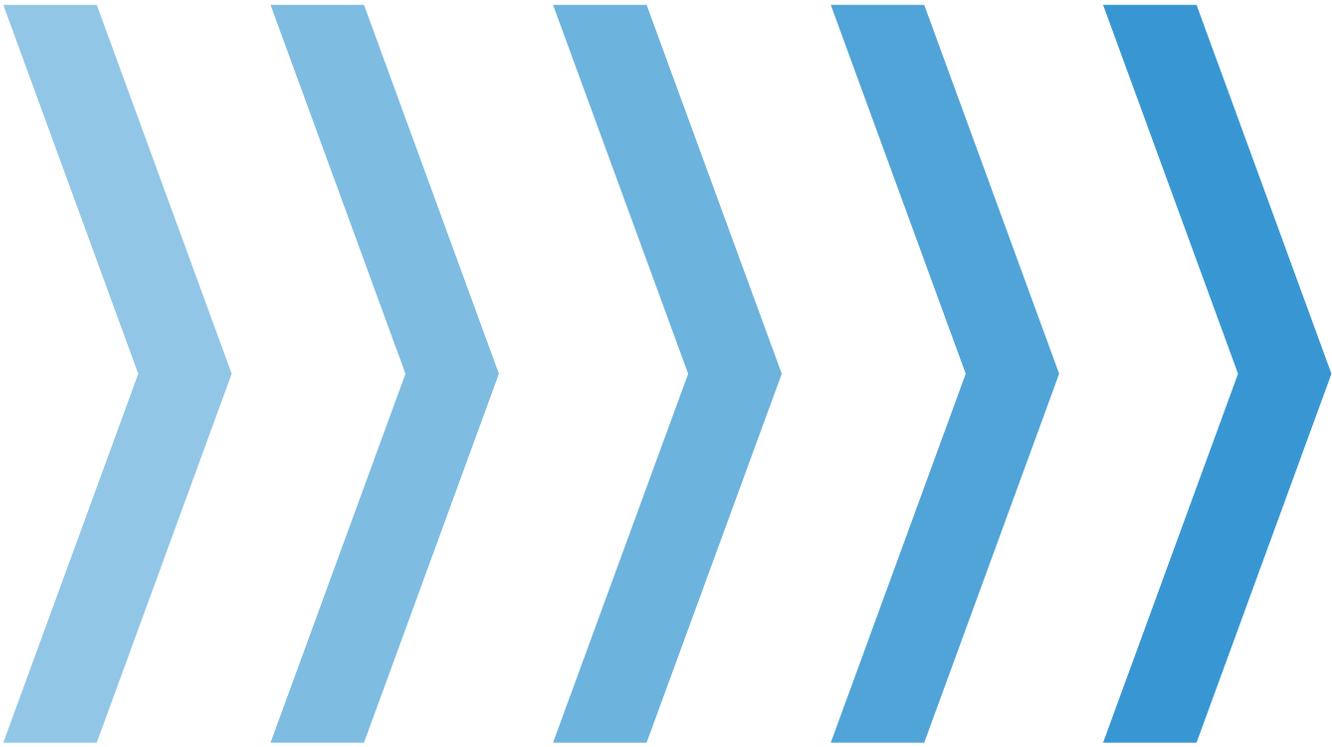
ACA
(PCORI Fee)
\$0.40

Total Premium: \$889
(PEPM)

Estimated \$174,000 Additional Cost

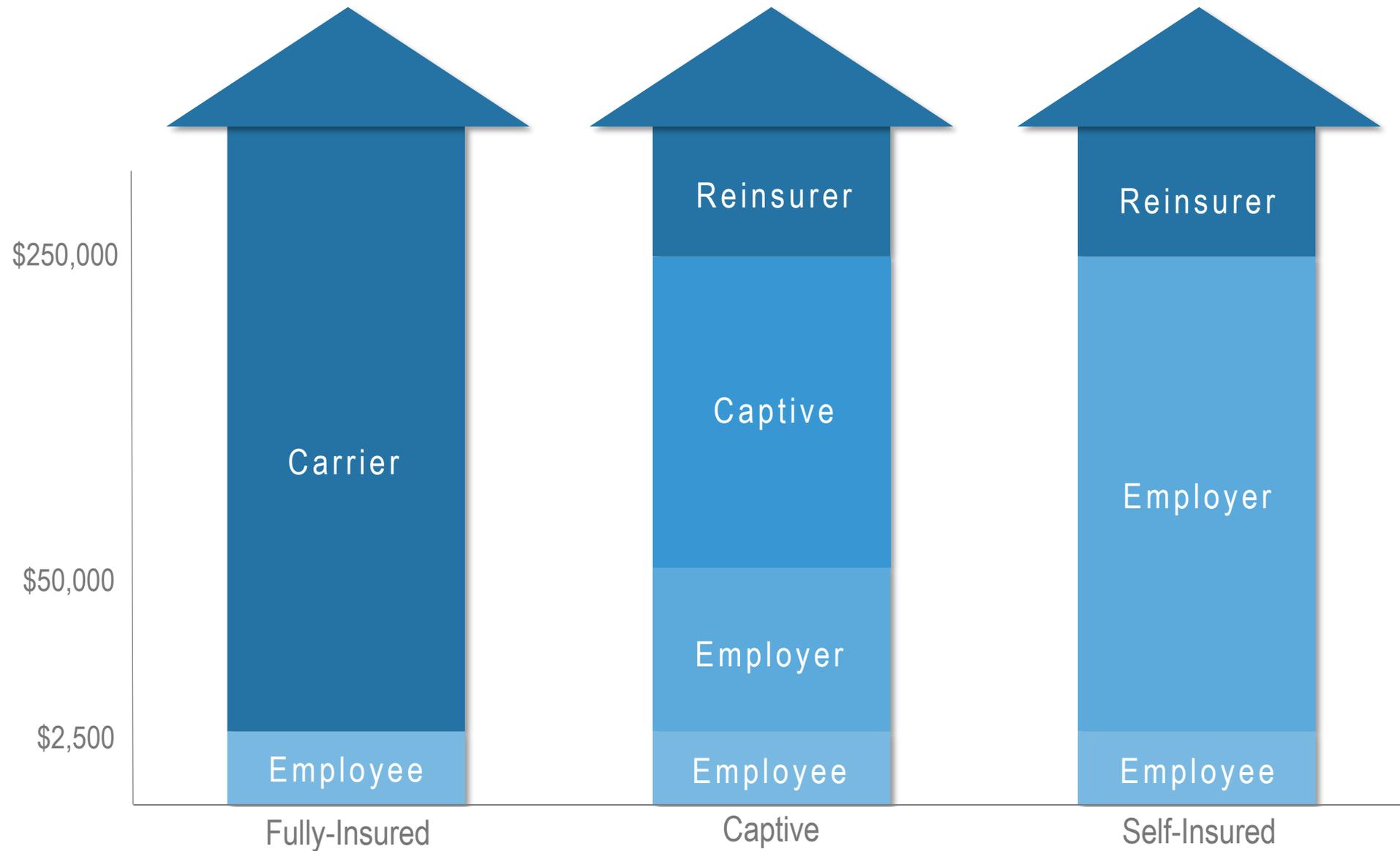
Cumulative Distribution of Total Health Plan Cost

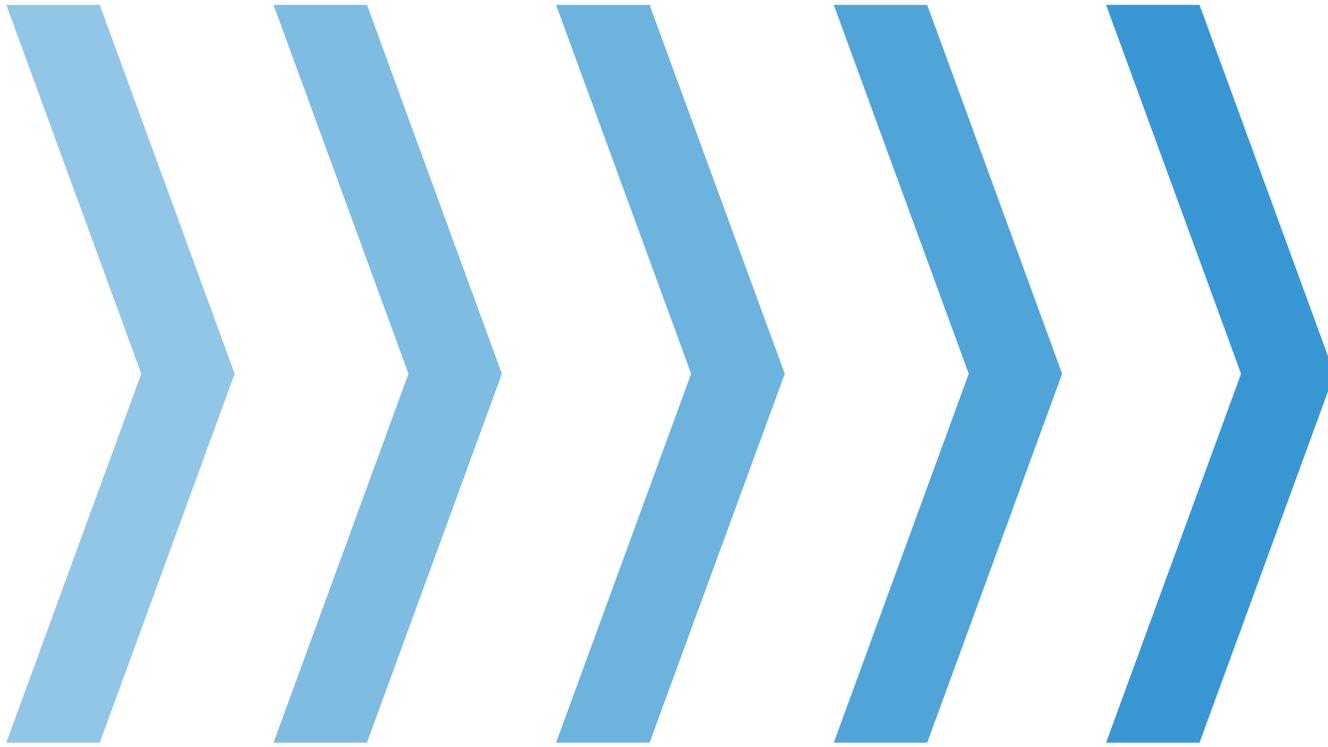




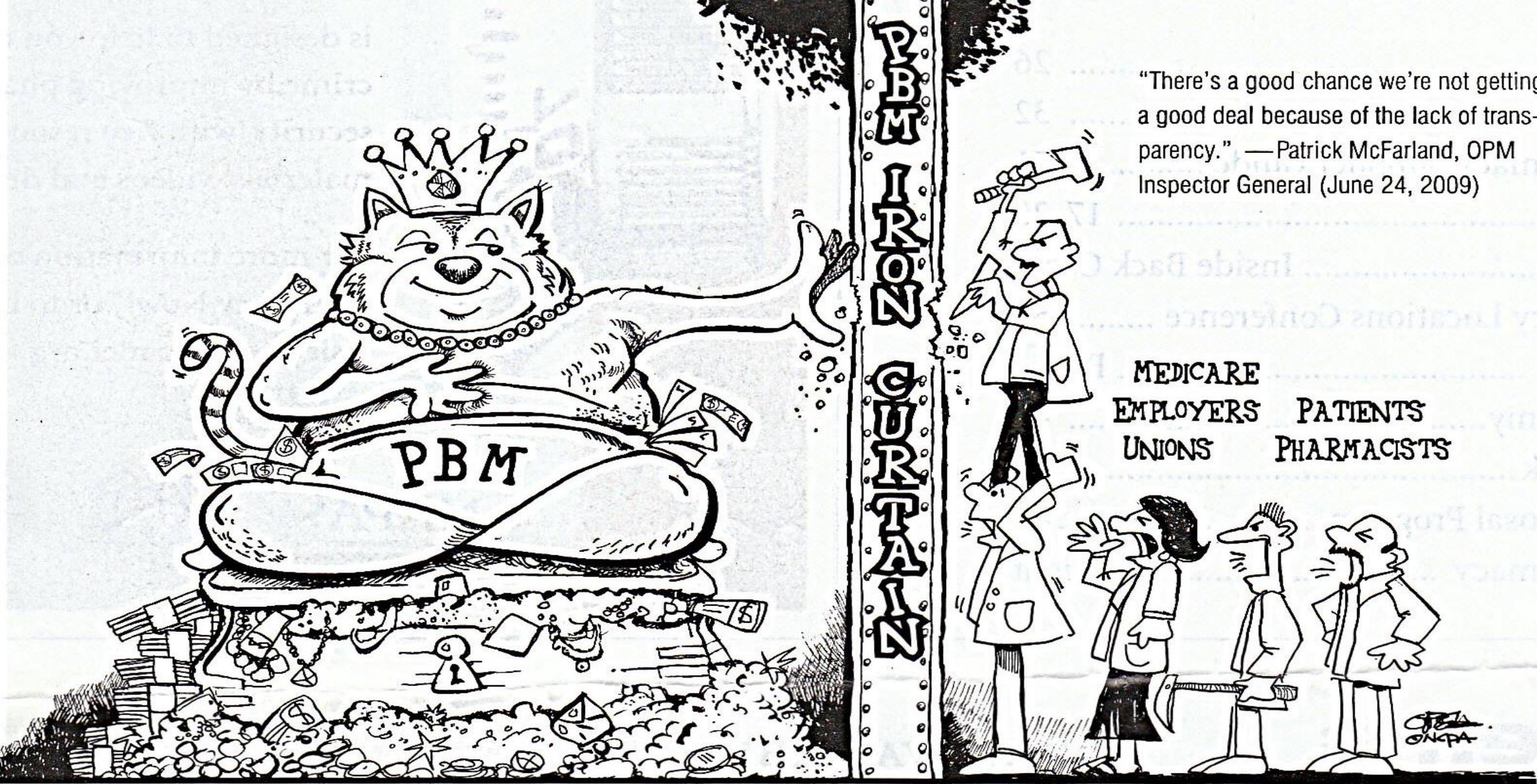
CAPTIVES

HOW DO CAPTIVES WORK?





PHARMACY



“There’s a good chance we’re not getting a good deal because of the lack of transparency.” — Patrick McFarland, OPM Inspector General (June 24, 2009)

MEDICARE
EMPLOYERS PATIENTS
UNIONS PHARMACISTS

PBM Transparency — key to lower Rx costs

CARVE



ADVANTAGES

Contract for medical and pharmacy is with one vendor, which can simplify administration and management.

Potential for better coordination of care between medical and pharmacy benefits.

Easier coordination with stop-loss insurance.

CARVE



DISADVANTAGES

Less flexibility with plan designs.

Combined medical and pharmacy contract allows for limited transparency and audit rights.

Limited access to claims data experience to see if you are “winning” or “losing” under the fully-insured model.

Limited audit rights, if any.

Penalty fees typically in contract if you want to change to carve-out in the future.

ADVANTAGES

Flexible plan design and clinical programs that can help reduce costs.

Standard language in the PBM contract allows for increased transparency.

Implementation credits to offset expenses of switching to a new vendor.

Annual administration allowance to offset expenses incurred through the administration of the pharmacy benefit program.

CARVE



CARVE



DISADVANTAGES

Contract for medical and pharmacy are with multiple vendors, which can increase the administrative burden.

If the medical and pharmacy accumulators are combined, they will need to be integrated.

PBM SELECTION

Does the PBM fulfill the organization's needs in terms of costs, customer service, range of drugs available, and other factors?

Is the organization getting the best possible financial arrangement?

Is the contract written in a way that allows for transparency?

Is the PBM willing to contract auditable and sustainable terms that the organizations finds acceptable, such as transparency and fiduciary responsibility?

Is the organization geared up to change PBMs (i.e., to go through with the implementation process and the oversight of PBM operations)?

EFFECTIVE CONTRACTING

Crucial to the success of the plan's pharmacy benefit

Plans should consider doing the following every two years:



PBM CONSIDERATIONS

Greater customer demand for market checks and/or shorter contracts

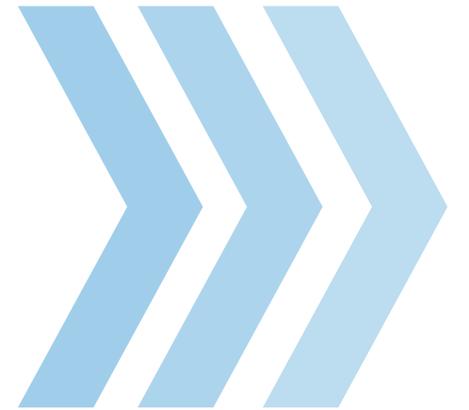
Continued growth in specialty pharmacy

Managing the pharmacy spend in both the medical and pharmacy benefits

Focus on consumerism

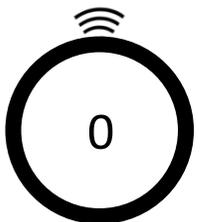
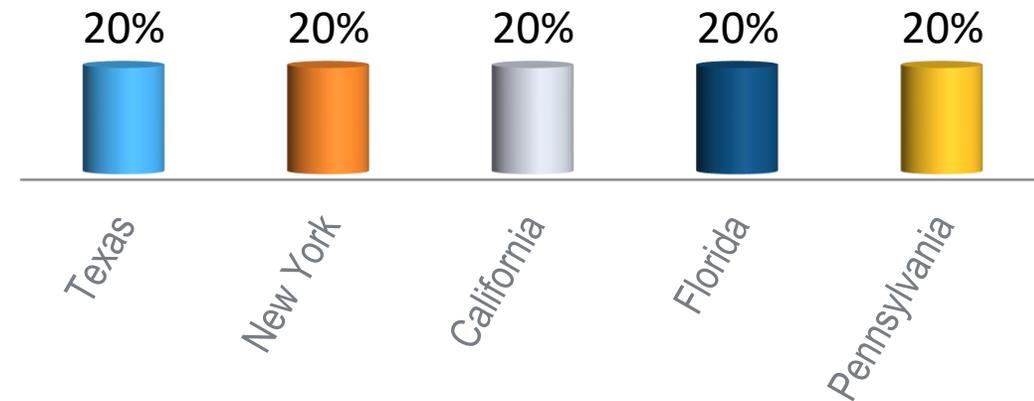
New approaches to PBM contracting and pricing

AUDIENCE POLL

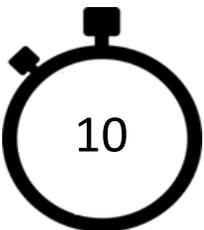


Which state had the highest number of retail prescription drugs filled in 2016?

1. Texas
2. New York
- ✓ 3. California
4. Florida
5. Pennsylvania

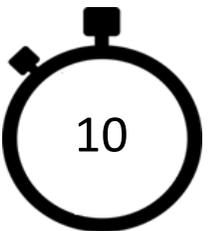
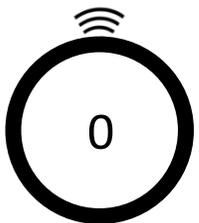
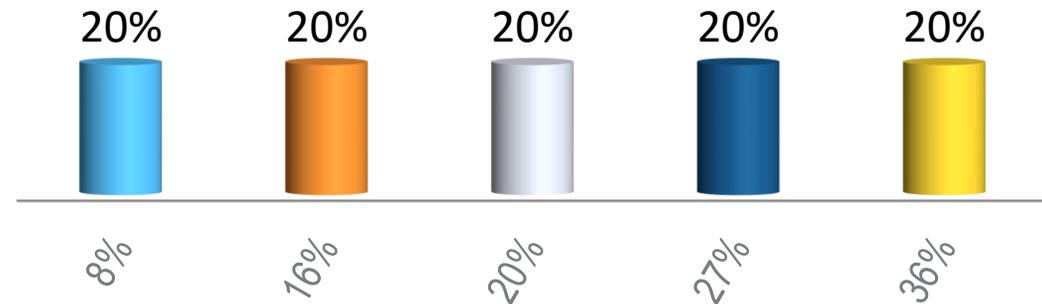


<https://www.kff.org/health-costs/state-indicator/total-retail-rx-drugs/?currentTimeframe=0&sortModel=%7B%22collId%22:%22Total%20Retail%20Rx%20Drugs%22,%22sort%22:%22desc%22%7D>



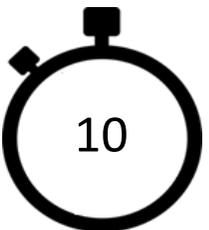
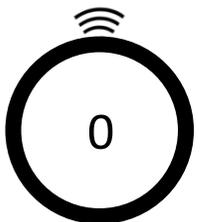
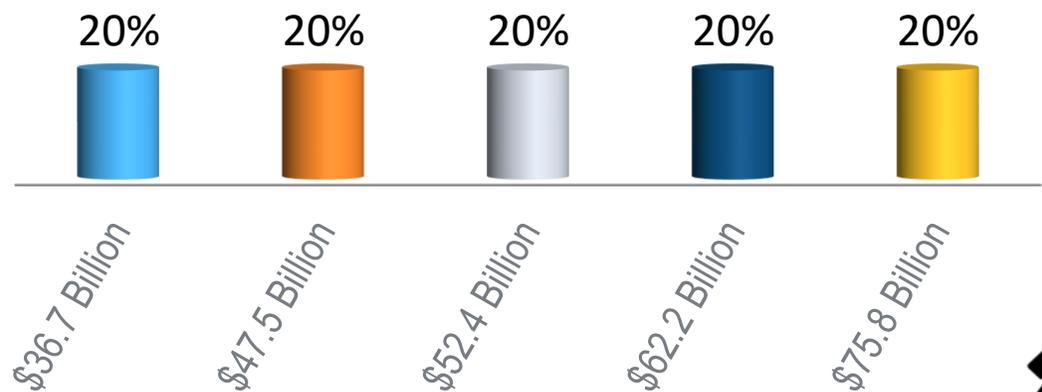
In 2016, rebates made up what percentage of prescription drug claims?

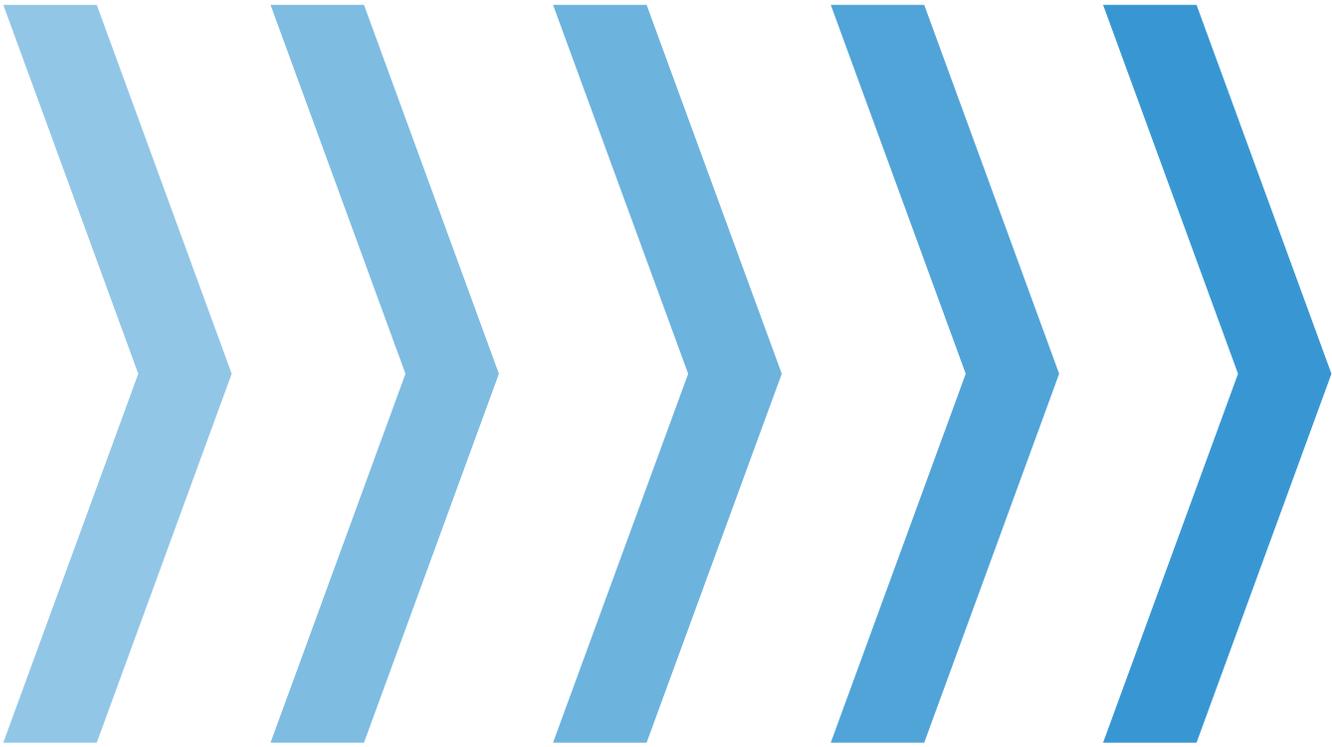
- 1. 8%
- ✓ 2. 16%
- 3. 20%
- 4. 27%
- 5. 36%



What is the prescription drug expenditure difference in the U.S. from 2014 to 2018?

1. \$36.7 Billion
2. \$47.5 Billion
3. \$52.4 Billion
- ✓ 4. \$62.2 Billion
5. \$75.8 Billion





NARROW NETWORKS

WHAT IS A NARROW NETWORK?

Broad Network

Provider 1
Hospital A
Provider 2
Hospital B
Provider 3
Hospital C
Provider 4
Hospital D
Provider 5
Hospital E
Provider 6

Narrow Network

Provider 1
Hospital A
Provider 2
Hospital B
Provider 3
Hospital C
Provider 4
Hospital D

Ultra-Narrow Network

Provider 1
Hospital A
Provider 2
Hospital B
Provider 3



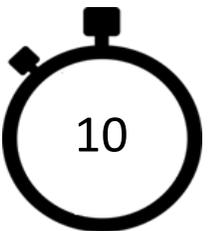
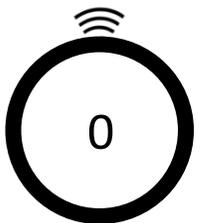
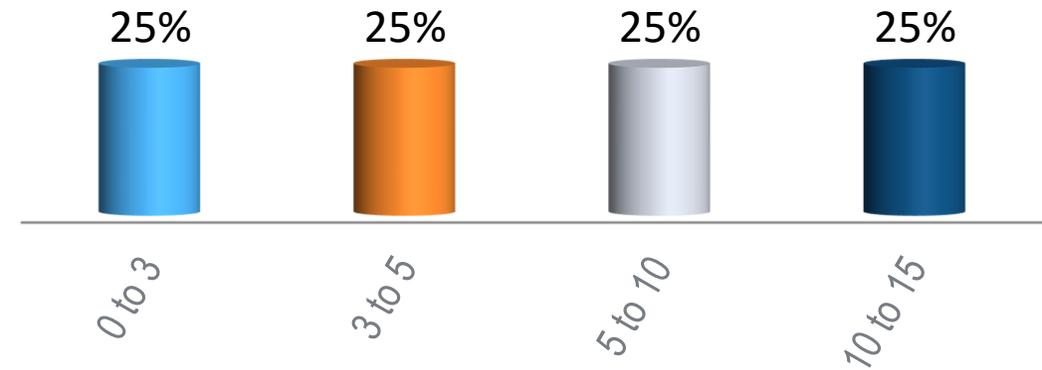
**DIRECT
CONTRACTING**

AUDIENCE POLL

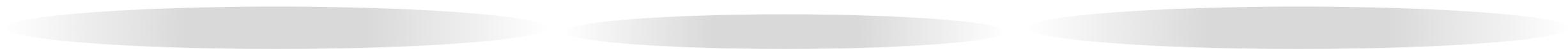
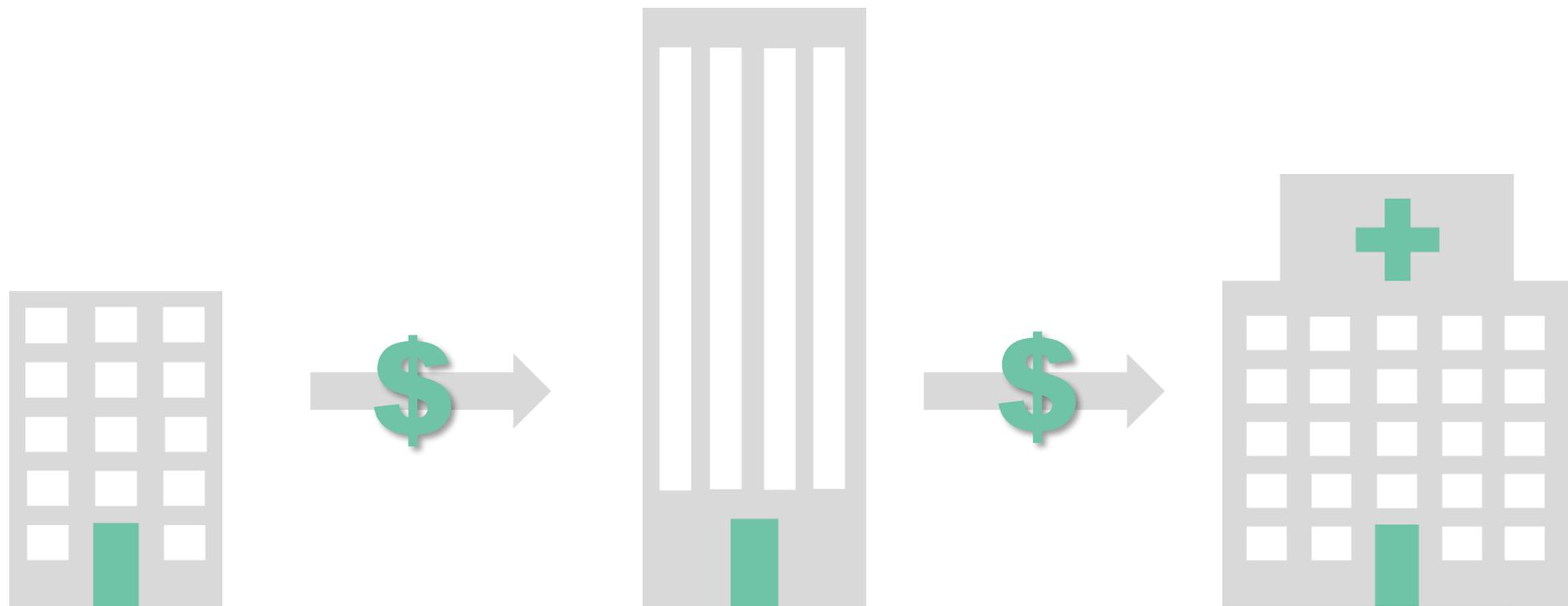


Employers are seeing an average savings of _____ percent of total medical spending?

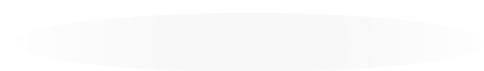
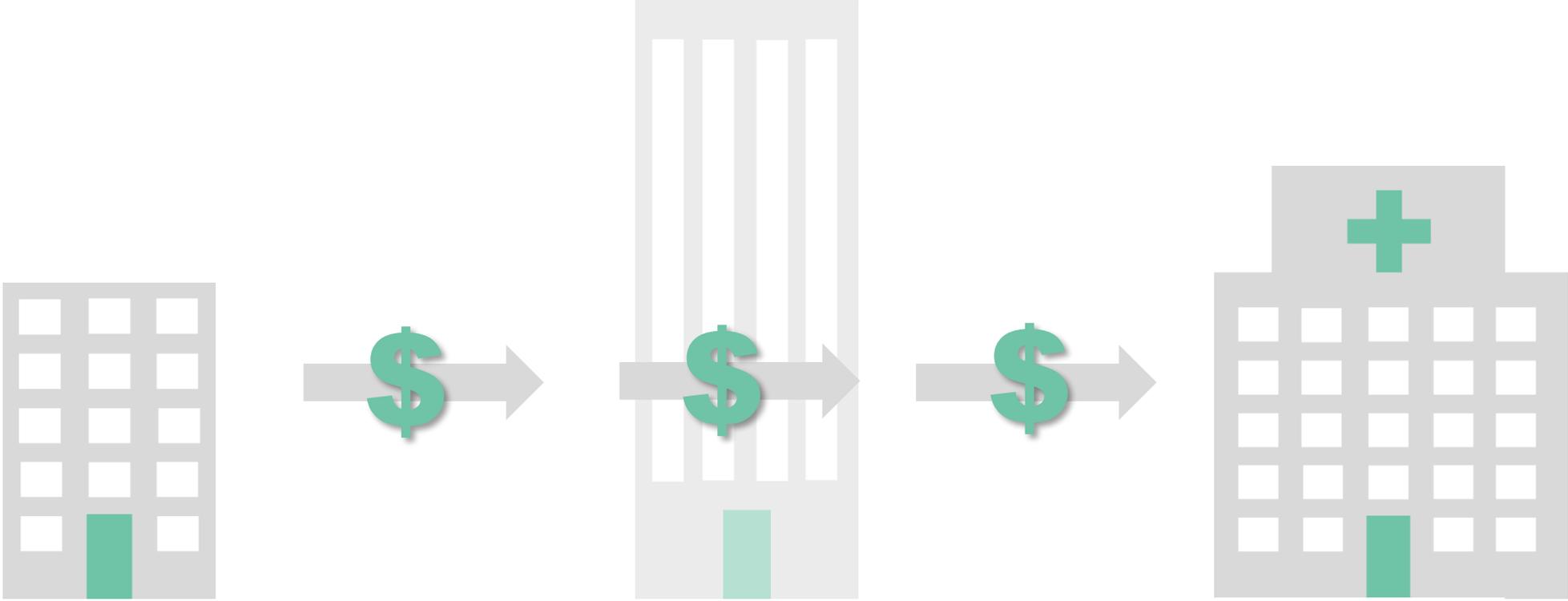
1. 0 to 3
2. 3 to 5
- ✓ 3. 5 to 10
4. 10 to 15



TRADITIONAL PAYMENT



DIRECT CONTRACTING



BENEFITS

Opens the door for discussions about cost and quality that are not traditionally available.

Helps link diagnosis to hospital cost to health outcome

Lowers costs without compromising quality because employers choose the providers with whom they partner

Creates an aligned interest between employers and providers

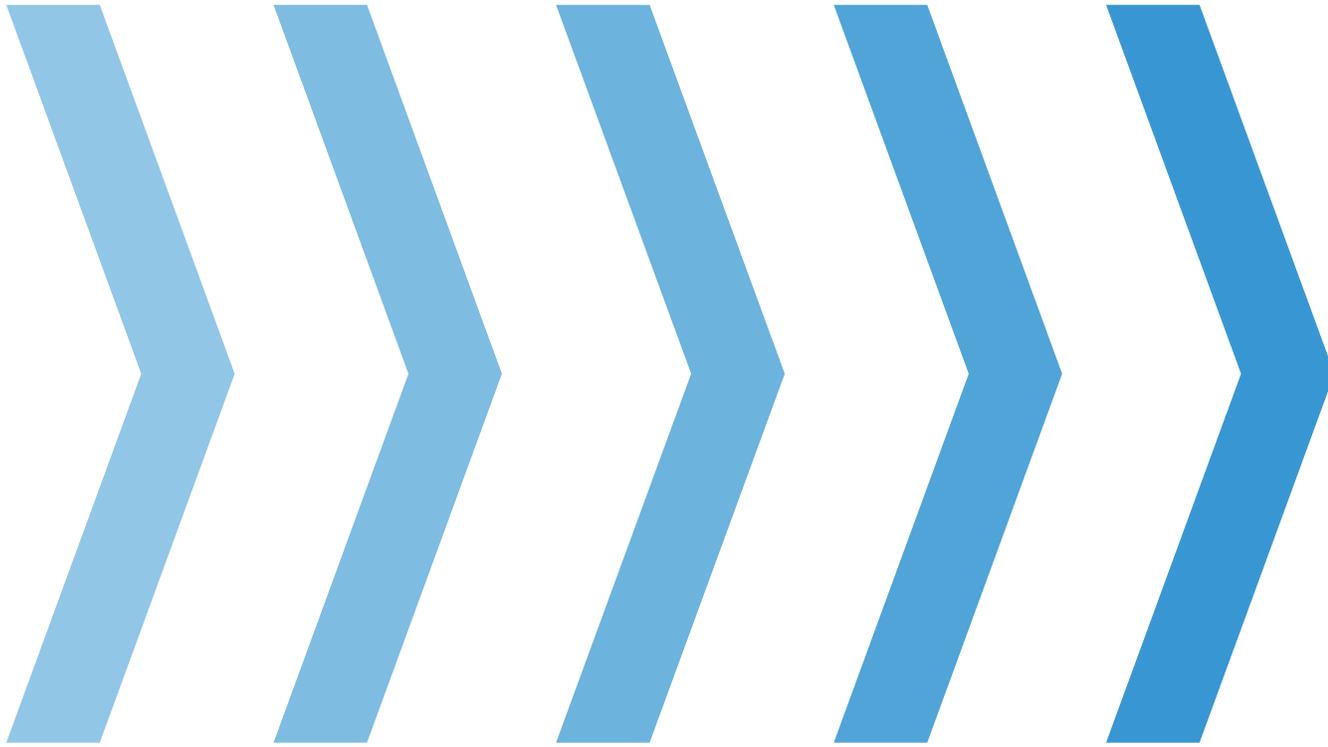
Improves price transparency as it offers the employer a clear understanding of pricing and quality measurements



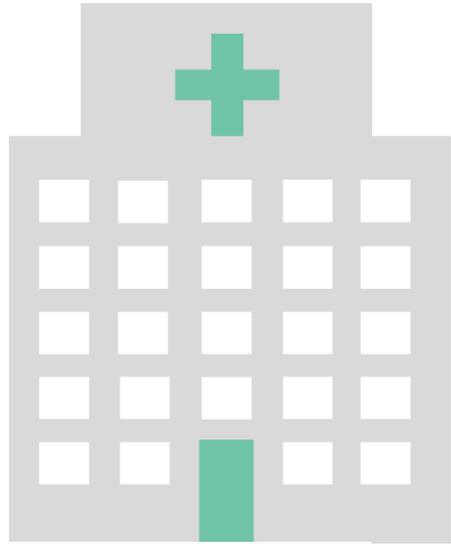


**HOW DO I MAKE
HEALTHCARE
ACCESSIBLE &
AFFORDABLE FOR
EMPLOYEES?**





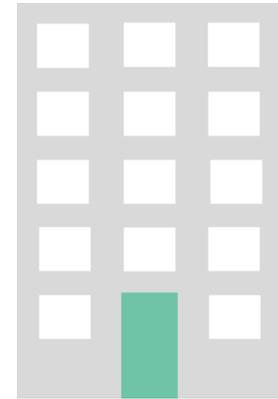
**PRICE
TRANSPARENCY**



WILLING BUYER



MORE
EFFICIENT
MARKET



WILLING SELLER

STATUS QUO

Employers can no longer afford the status quo (whether fully insured OR self-funded)

Consumers are not involved in the buying decision of care

Most of the system wins when costs are high

Networks, insurance companies, hospital systems, some brokers/agents, cost containment vendors, TPAs, etc.

\$16.44 PER GALLON

HEALTHCARE PRICE VARIANCE REPORT

MARKET | OKLAHOMA CITY

Market Basket of Common Procedures	Low Price	High Price	Variance
1. Screening Colonoscopy	\$1,077	\$6,068	563%
2. Sleep Study	\$1,051	\$8,275	787%
3. Shoulder MRI (with contrast)	\$460	\$4,318	939%
4. Knee Arthroscopy	\$2,732	\$18,602	681%
5. Cholecystectomy (laparoscopic)	\$5,140	\$22,663	441%
6. Carpal Tunnel Surgery	\$1,235	\$14,485	1173%
7. Ear Tube Placement (tympanostomy)	\$1,314	\$7,463	568%
8. Hysteroscopy (with biopsy)	\$4,802	\$12,056	251%
9. Chest CT (no contrast)	\$208	\$2,333	1122%
10. Abdominal Ultrasound	\$98	\$612	624%
Average Market Variance			715%

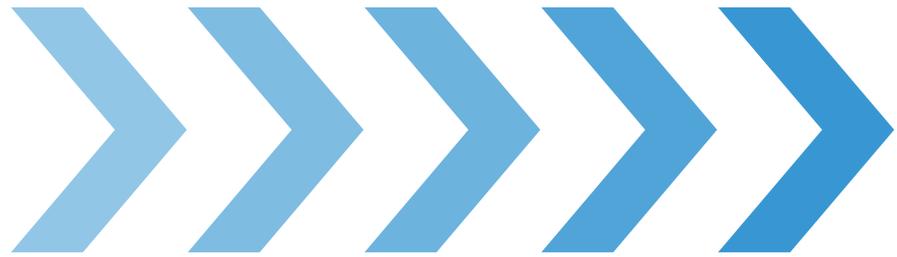
Equivalent Variance in a Gallon of Gas	\$2.30	\$16.44	715%
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What gas would cost per gallon with the same price variance

** All healthcare procedure costs are derived from claims amounts after network discounts were applied*

FREE MARKET MEDICAL

CPT CODE	DESCRIPTION	NATIONAL MEDICARE ALLOWABLE	OUTPATIENT CHARGE	FREE MARKET PRICE/DPC
MOLE REMOVAL				
11400	Excision of Lesion, Simple Closure	\$171.36	\$342.72	\$0/ Included in DPC Membership
99204	Level 4 Office Visit	\$167.4	\$334.8	\$99/month unlimited visits
88305	Pathology, Level 4 no stains	\$70.2	\$140.4	\$35 on the free market
	TOTAL CHARGES:		\$817.92	\$134
RADIOLOGY (Service + Read)				
73552	X-Ray	\$33.48	\$66.96	\$25-45
77059	MRI of breast, bilateral	\$549.71	\$1099.42	\$325+
70460	CT Scan of head/brain with contrast	\$195.12	\$390.24	\$175+
77066	3-D Mammogram	\$174.24	\$348.48	\$200
76801	Ultrasound (OB First Trimester)	\$126.72	\$253.44	\$125
SURGERY				
	Total Knee Replacement w/ Hospital Stay	\$69,654	\$15,499	
	C-Section + 3 day hospital stay		\$13,883	\$20,000+
CHILD VACCINATIONS				
90633	HepA		\$24.79 + office visit	\$15
90707	MMR		\$67.06 + office visit	\$15
90670	PCV 13		\$218.08 + office visit	\$15



REFERENCED-BASED PRICING

OFFICE VISIT

HCPCS CODE: 99201-99205

LOCALITY: BALTIMORE, MD

YEAR: 2018

HCPCS CODE	SHORT DESCRIPTION	NON-FACILITY PRICE	FACILITY PRICE
99201	OFFICE/OUTPATIENT VISIT NEW	\$48.78	\$29.07
99202	OFFICE/OUTPATIENT VISIT NEW	\$81.73	\$54.54
99203	OFFICE/OUTPATIENT VISIT NEW	\$117.63	\$82.94
99204	OFFICE/OUTPATIENT VISIT NEW	\$178.59	\$139.56
99205	OFFICE/OUTPATIENT VISIT NEW	\$224.48	\$182.30

120% MEDICARE

HCPCS CODE: 99201-99205

LOCALITY: BALTIMORE, MD

YEAR: 2018

HCPCS CODE	SHORT DESCRIPTION	NON-FACILITY PRICE	FACILITY PRICE
99201	OFFICE/OUTPATIENT VISIT NEW	\$58.54	\$34.88
99202	OFFICE/OUTPATIENT VISIT NEW	\$98.08	\$65.45
99203	OFFICE/OUTPATIENT VISIT NEW	\$141.16	\$99.53
99204	OFFICE/OUTPATIENT VISIT NEW	\$214.31	\$167.47
99205	OFFICE/OUTPATIENT VISIT NEW	\$269.38	\$218.76

If a doctor submits higher amounts, they must find another avenue for payment.

For example, a patient visits a doctor at the doctor's office:

HCPCS Code	Short Description	Non-Facility Price	Doctor's charge
99201	Office/outpatient visit new	\$58.54	\$73.18

**\$14.64
Difference**

A diagram consisting of two blue arrows pointing downwards from the 'Non-Facility Price' and 'Doctor's charge' columns of the table above. The arrows converge towards the text '\$14.64 Difference' centered below the space between the two columns.



**DIRECT PRIMARY
CARE**

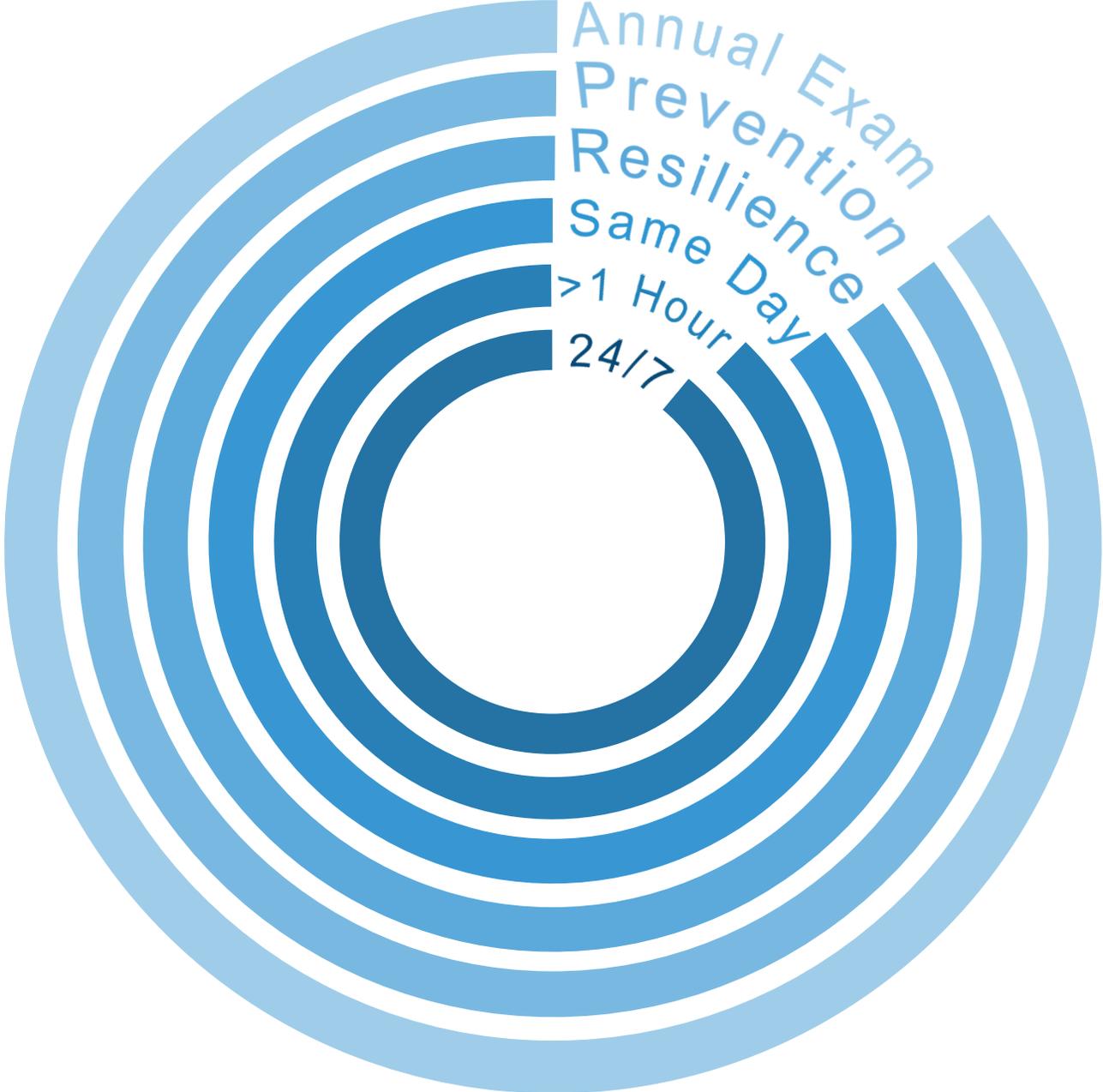
DIRECT PRIMARY CARE

FEWER PATIENTS

MORE TIME WITH EACH PATIENT

BETTER RESULTS

ADVANTAGES



DIRECT PRIMARY CARE



62% Fewer admissions

91%, 95%, 97% Fewer readmissions

59% SAVED



59% Fewer ER visits

30% Fewer days hospitalized

62% Fewer specialty referrals

65% Fewer x-rays

80% Fewer surgeries

57% SAVED



PREDICTED
INPATIENT
COST
SAVINGS
PER YEAR

111 Acute inpatient admissions per 1000
insureds/year (Illinois 2013)
x 100 Employees

11.1 Admissions/year in your firm
x 0.62* With ImagineMD

6.9 Fewer admissions/year
x \$10,574 Average cost per inpatient admission

\$72,960 **SAVED**

*Average reduction in hospitalization by leading DPC provider



PREDICTED
ER VISIT
COST
SAVINGS
PER YEAR

40.8 ER visits per 100 insured/year (2013)
Employees
x 100

40.8 ER Visits/year in your firm
x 0.53* With ImagineMD

21.6 Fewer ER visits/year
x \$1,233 Average cost per ER visit

\$26,632 **SAVED**

*Average reduction in hospitalization by leading DPC provider



PREDICTED
**ER VISIT &
INPATIENT**
COST
SAVINGS
PER YEAR

\$99,592

DIRECT COST SAVINGS

50 Days

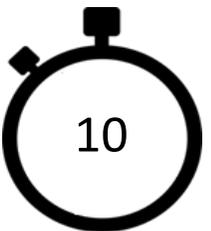
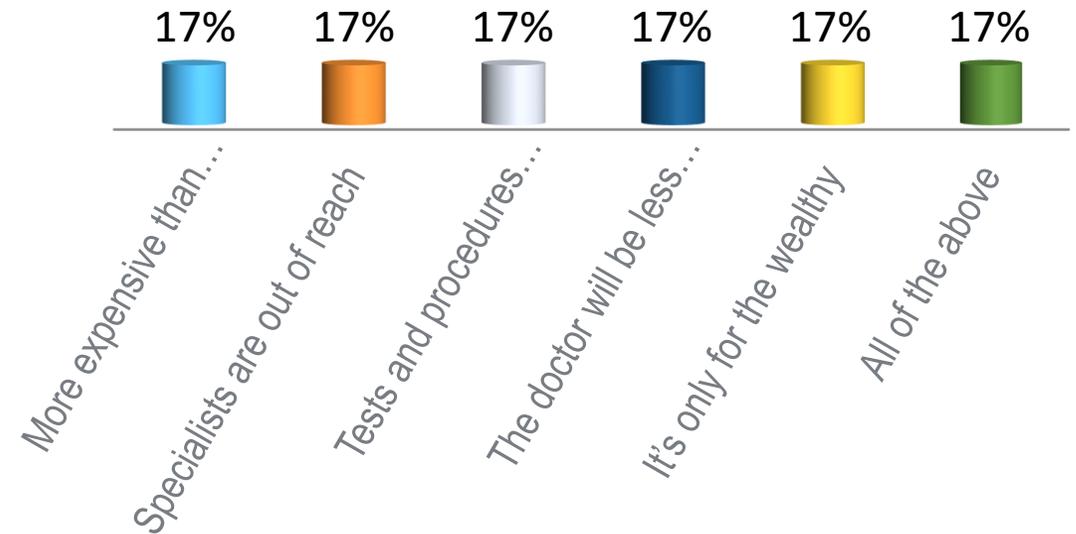
AMOUNT OF AVOIDED
SICK TIME

AUDIENCE POLL



What do you think is the most misunderstood idea about the Direct Primary Care model?

1. More expensive than traditional insurance
2. Specialists are out of reach
3. Tests and procedures won't be included
4. The doctor will be less available
5. It's only for the wealthy
6. All of the above





TELEMEDICINE

RECENT TRENDS

2016: focused telehealth technologies acquired \$287 million in venture capital funding

2016: 64% of employers offered telehealth services

2018: 92% of employers are expected to offer telehealth services

Health plan vendors: **48%** believe availability of telemedicine solutions being integrated is important, **31%** somewhat important and **20%** not at all important

RECENT TRENDS

Employers considering a telehealth program should ask the following:

- How does my state's telemedicine policies compare with others?
- Which states offer the best coverage for telemedicine-provided services?
- Does my state impose barriers to telemedicine access for patients and providers?

Other trends

- Increase access – convenience – reducing costs
- Acute conditions – episodic conditions – chronic
- Hospitals – satellite clinics – home

Supply-to-demand matching

EVALUATING TELEMEDICINE

Target population

Costs that were avoided

Changes in utilization

Managed care

Additional costs

Secondary savings

Patient and provider satisfaction

TELEMEDICINE

PRICING MODELS

Per-visit Basis (approximate cost)

- Doctors on Demand - \$75 for primary care
- American Well - \$49 for urgent care
- Teledoc - \$49 per visit
- MDLive - \$59 per visit

Subscription Model (approximate cost)

- Teledoc - \$0.50 PMPM
- American Well
- Low utilization rates have raised concerns about this pricing model
- Combination

PEPM plus a charge to patients at point of service



**HOW DO I DESIGN
BENEFITS THAT
ATTRACT &
RETAIN?**



The Best in Benefits award recognizes employers who offer the best benefit plans relative to their peers. Using medical plan designs, premiums, and contributions from the Mid-Atlantic Benchmarking Survey Area, we calculate the benefit value and cost for each plan with Milliman's Health Cost Guidelines™. We then rank the plans by the lowest cost-highest benefit metric to determine who is Best in Benefits.

AND THE WINNER IS....

JMI MANAGEMENT, INC.

GRAND CHAMPION, MID-ATLANTIC BENCHMARKING SURVEY

MID-ATLANTIC BENCHMARKING SURVEY TOP 20

JMI Management, Inc.

NCTA—The Internet & Television Association

Visionist, Inc.

Campbell & Company, LP

WaveStrike

Taylor Technologies

Ligon & Ligon, Inc.

Praxis Engineering Technologies, Inc.

WBCM

The Maryland School for the Blind

RK&K

HIAS

Atlantic General Hospital

Carroll County Youth Service Bureau

Harco Distributors, Inc.

Euler Hermes North America

David A. Bramble, Inc.

Johnson, Mirmiran and Thompson

Edgeworth Economics, LLC

Lighthouse Youth & Family Services

WELLNESS

TOP 5 WELLNESS PROGRAMS OFFERED

- 82% Employee assistance programs
- 61% Flu Shots
- 57% Health club discount/reimbursement
- 57% Wellness newsletters
- 46% Web-based resources for healthy living



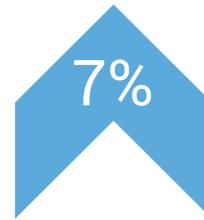
REASONS FOR OFFERING WELLNESS PROGRAMS



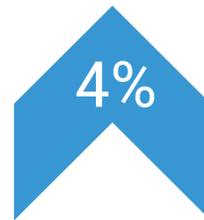
Improve health of employees



Reduce health care costs



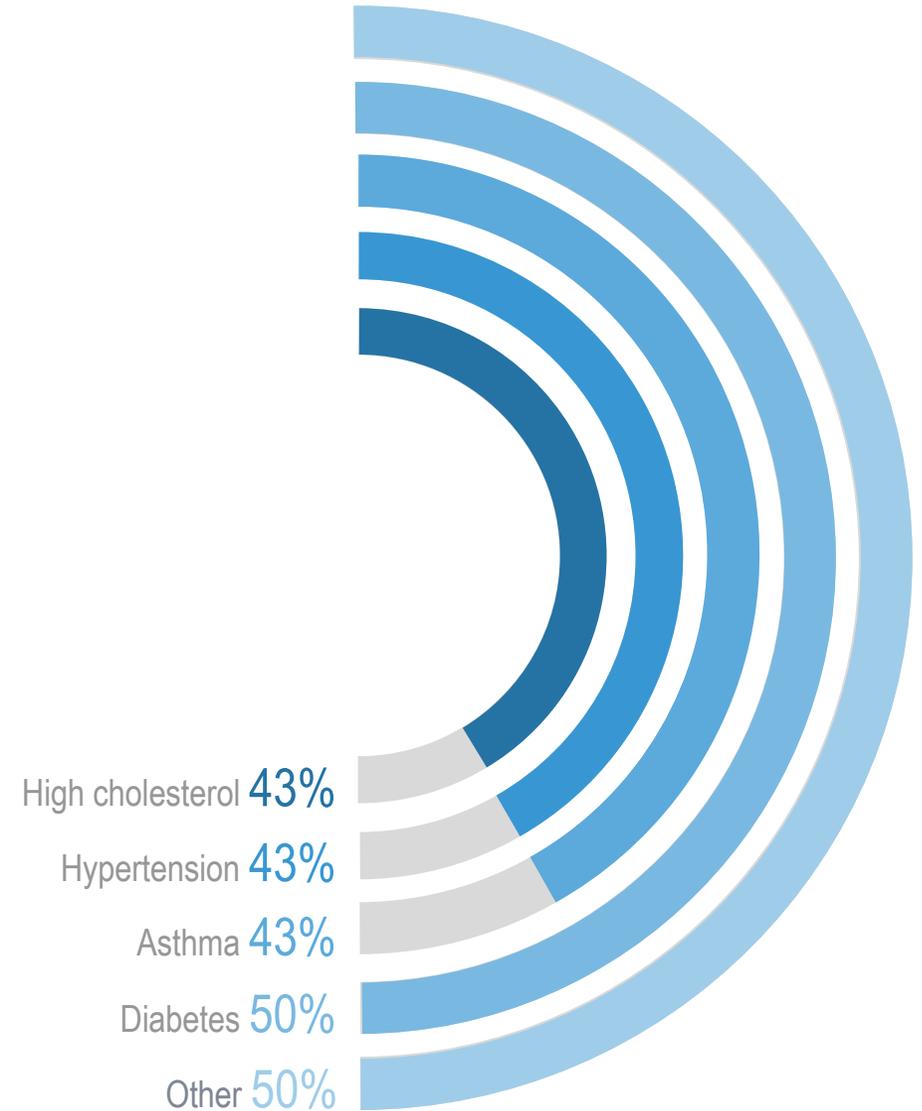
Improve employee morale & productivity



Benefits were part of the health plan

DISEASE MANAGEMENT

TOP 5 DISEASE MANAGEMENT
PROGRAMS OFFERED



Wellness/disease management programs have become a cost of doing business - don't expect these programs to be a profit center

Choose programs that:

- Target your employee needs and workplace goals
- Are evidence based
- Are priced right – does vendor have skin in the game
- Focus on higher risk members with established chronic disease if seeking an ROI

Determine realistic goals for each program – qualitative and quantitative

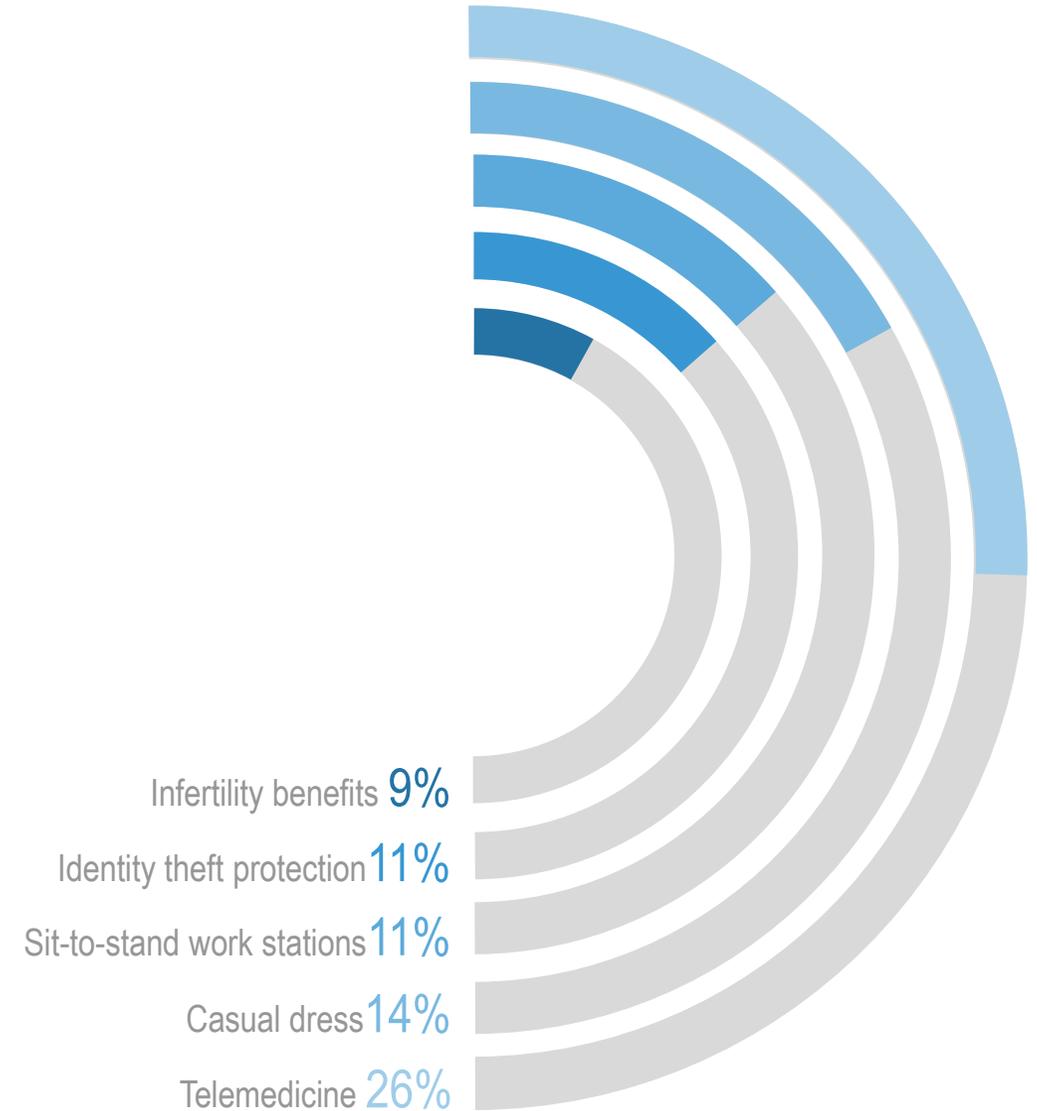
Establish meaningful outcome metrics to routinely measure and monitor

Re-evaluate programs annually and modify, cancel or add programs



INNOVATIVE BENEFITS

Top 5 Innovative Benefits Offered

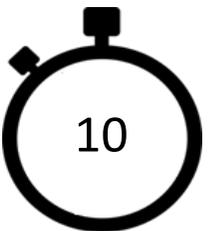
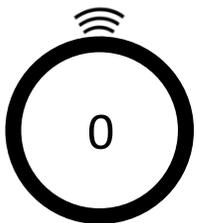
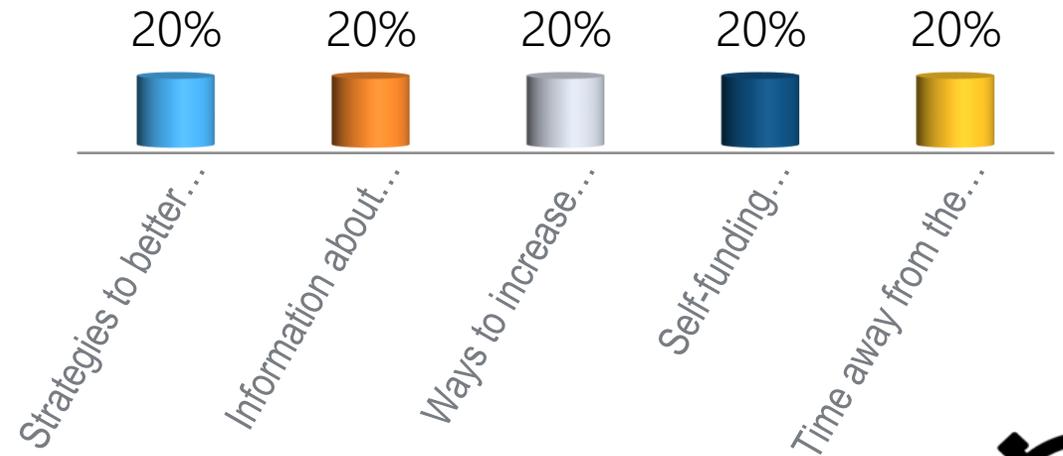


AUDIENCE POLL



What is your take-away for today?

1. Strategies to better our business practices
2. Information about healthcare costs
3. Ways to increase employee attraction and retention
4. Self-funding information
5. Time away from the office



NEXT STEPS



Want more details?



Refer to the ICR and Mid-Atlantic Benchmarking Survey Report



More data points are available upon request



Contact your SIG representative

STANDARD CAVEATS

In performing our analysis, we relied on data provided to us by SIG. We have neither verified nor audited the accuracy of the data contained in the files. If the underlying data is inaccurate or incomplete, the results of our analysis may likewise be inaccurate or incomplete. Where practicable, the data was reviewed for consistency and reasonableness. Due to the nature of any medical block of business, results are highly variable. As such, actual results may vary from the results provided in this report.

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