



Center for Health

HealthFlex Strategy

HealthFlex Exchange Offering

HealthFlex Summit

October 21, 2014



General Board

Pension and Health Benefits

Caring For Those Who Serve

HealthFlex Strategic Direction

- Alignment with ACA Strategy and Policy
 - Avoid Cadillac tax
 - Ensure minimum value of coverage
- Continued migration toward “consumer” plans
 - Overall **plan value** below “**Cadillac plan**” threshold
 - Greater individual accountability
 - Greater cost sustainability for plan sponsors
- Standalone programs for Marketplace populations
- Research private exchange-like options

Defining “Private Exchange”

Private Exchange Characteristics

Typically group coverage—
not individual

Efficient purchasing
(economies of scale)

Participant
choice

More flexible and
customizable than public
exchange/Marketplace

Current Components of HealthFlex

Limiting employer
cost through
defined contributions

Potential inclusion of
“other” products

Plan choice
decision supports

**Not Currently Part
of HealthFlex**

Unlike public exchange, no pooling with “healthy” risk

“Private Exchange” Priorities

- Participant ownership of plan selection
 - Satisfaction with individual plan “fit”
 - Prudent consumerism
- Plan sponsor cost control
 - Fixed (defined contribution) costs
- Limit disruption between appointments

- Plan sponsor cost control
 - Opportunity for cost reduction
- Access to variety of local plans

“Private Exchange” Variables

Self-insured vs. Fully-insured

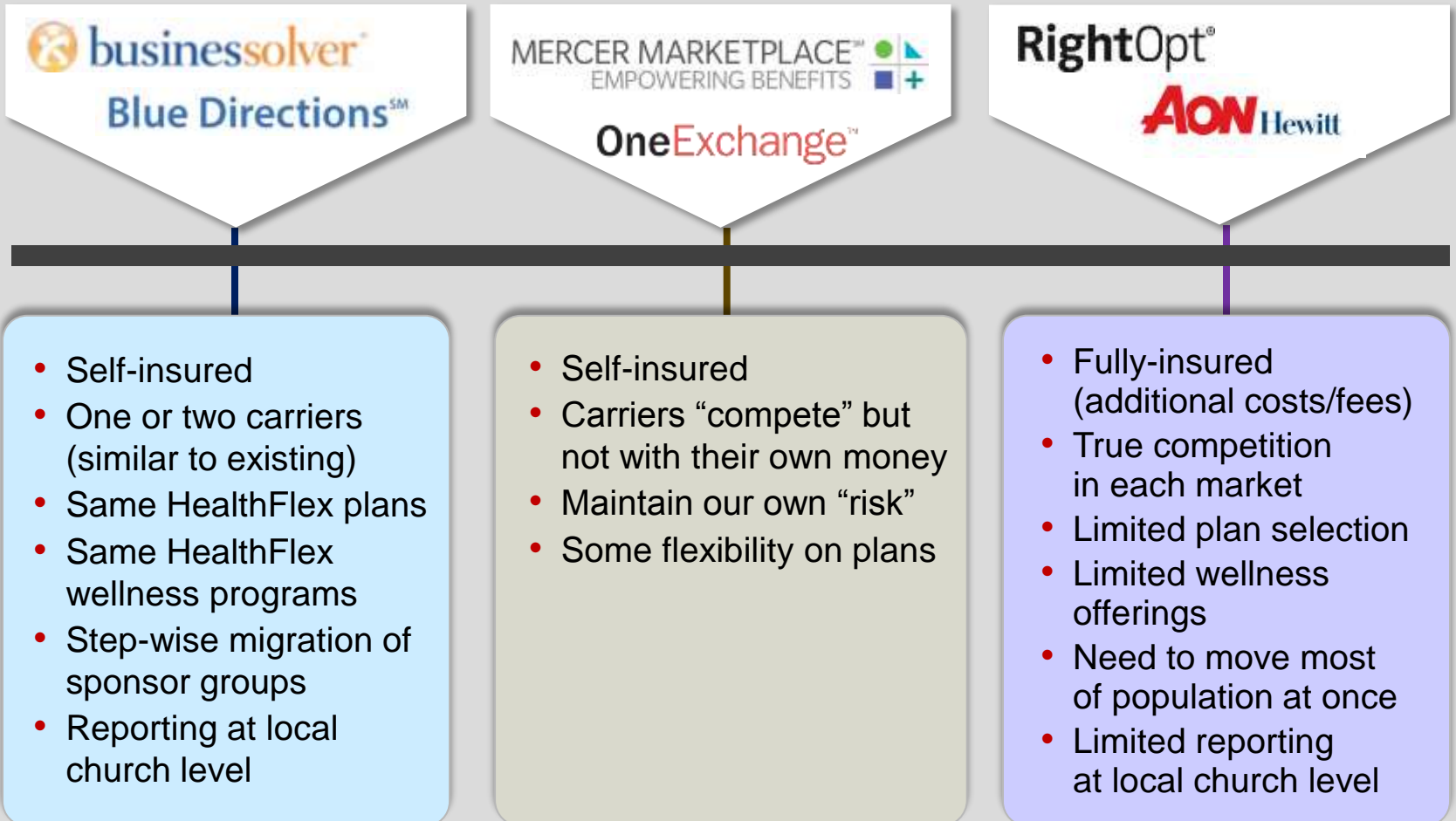
One Carrier vs. Multiple Carriers
Network robustness, regional competition

Defined Contribution (DC)
vs. Traditional Benefits
Administration

Level of Decision Support

Number of Plan Options

“Private Exchange” Continuum



“HealthFlex Exchange” Offering

- Remain self-insured
- Expanded “exchange-like” platform through Businessolver
- Greater number of participant choices
- Continue with current carriers, plans, wellness programs—minimal disruption
- Extensive decision support
 - Plan sponsor defined contribution modeling
 - Participant plan choice support (online, phone)

HealthFlex Exchange Offering

- Defined contribution
 - “Credit” toward plan purchase
- Possibly additional wellness incentive “credit” (replacing Virgin Pulse HealthCash)
- Any premium beyond credit must be deducted from individual’s pay
- Leftover credit funds HRA*/HSA*

* HRA: Health reimbursement account
HSA: Health savings account

Premium Funding

**100% billed to
plan sponsor
(conference)**



**Conference bills local
church for DC + any
participant overage**

- DC could be blended or passed through directly to local church

Participant Experience

1

Notional credit based on defined contribution established by plan sponsors

- Represents church commitment

2

Plan costs transparent to participant

More costly plan selected:

- Participant commits to paycheck deductions

OR

Less costly plan selected:

- Participant receives HRA/HSA funding based on annual DC from plan sponsor (available January 1)

Participant Decision Support



Online decision support and guidance toward plan selection



Telephonic assistance available from benefit advisors

Participant Decision Support

Benefits Literacy

86% OF EMPLOYEES ARE CONFUSED ABOUT HEALTHCARE BENEFITS. DOES THAT DESCRIBE YOU TOO?



Yep! That's me



I know where my ID card is



I'm a pro, you should ask me the questions

Financial Preparedness

HOW WOULD YOU FEEL ABOUT FACING A \$5,000 EMERGENCY ROOM BILL?



I don't know where I'd find the money



I could do it, but I prefer not to



I understand and I am prepared



Participant Decision Support

Family Health Status

WHAT DOES YOUR MEDICINE CABINET LOOK LIKE?





 Empty	 There is some room (1-2 prescriptions)	 It's full (3-4 prescriptions)	 I need two (5+ prescriptions)
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DESCRIBE YOUR OVERALL HEALTH...

	Johnny	Jane	Son	Daughter
 Above Average	<input type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
 Average	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
 Below Average	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Participant Decision Support

Best Match and Alternative Choices

		Employee + Family: \$207.69						
<input checked="" type="checkbox"/> Selected	Medical PPO Plan Details	View Plan Pricing						
 Best MyChoice Match		<table border="0"> <tr> <td>Minimum Cost:</td> <td>\$5400</td> </tr> <tr> <td>Your Estimated Costs:</td> <td>\$6500</td> </tr> <tr> <td>Maximum Cost:</td> <td>\$7500</td> </tr> </table>	Minimum Cost:	\$5400	Your Estimated Costs:	\$6500	Maximum Cost:	\$7500
Minimum Cost:	\$5400							
Your Estimated Costs:	\$6500							
Maximum Cost:	\$7500							
		Employee + Family: \$115.38						
<input type="checkbox"/> Select	Medical HDHP Plan Details	View Plan Pricing						
 Low Cost Option		<table border="0"> <tr> <td>Minimum Cost:</td> <td>\$3000</td> </tr> <tr> <td>Your Estimated Costs:</td> <td>\$5000</td> </tr> <tr> <td>Maximum Cost:</td> <td>\$12,000</td> </tr> </table>	Minimum Cost:	\$3000	Your Estimated Costs:	\$5000	Maximum Cost:	\$12,000
Minimum Cost:	\$3000							
Your Estimated Costs:	\$5000							
Maximum Cost:	\$12,000							
		Employee + Family: \$153.85						
<input type="checkbox"/> Select	Medical HMO Plan Details	View Plan Pricing						
		<table border="0"> <tr> <td>Minimum Cost:</td> <td>\$4000</td> </tr> <tr> <td>Your Estimated Costs:</td> <td>\$5750</td> </tr> <tr> <td>Maximum Cost:</td> <td>\$7500</td> </tr> </table>	Minimum Cost:	\$4000	Your Estimated Costs:	\$5750	Maximum Cost:	\$7500
Minimum Cost:	\$4000							
Your Estimated Costs:	\$5750							
Maximum Cost:	\$7500							

Plan Sponsor Decision Support

Defined contribution modeling

- Desired contribution to achieve objectives
- DC variability—(i.e., by tier)



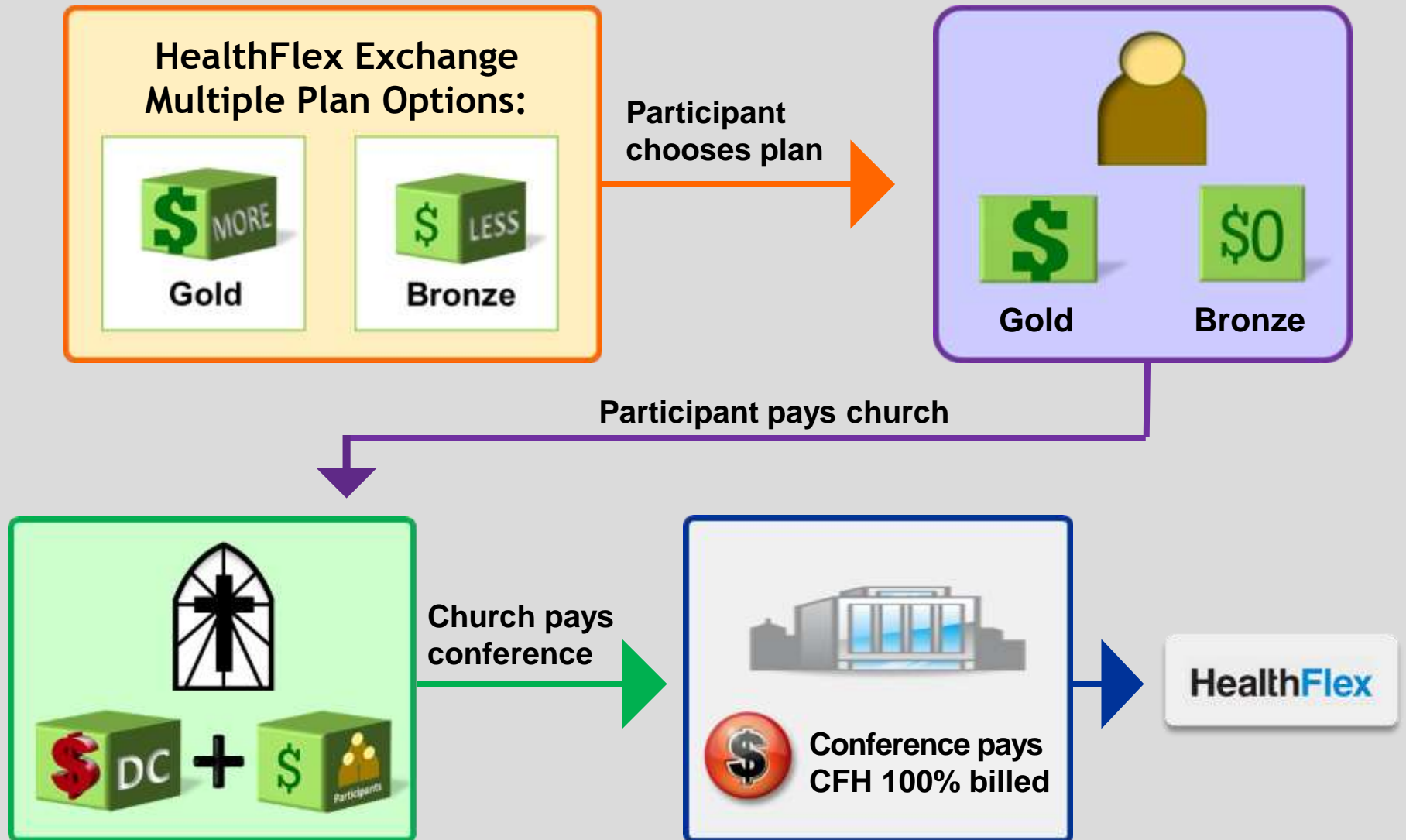
What information is needed to select DC?

What information is needed for local church-level deductions?

Plan Sponsor Considerations

- Transparency
 - Actual premium rates available to participant
 - Variations between contribution and church deductions
 - **Blending premiums**
 - **Plan sponsor administrative costs**
- Communication and education
 - General Board supports (train the trainer, toolkits)
 - Plan sponsor resources (time, trainers)

HealthFlex Exchange Conceptual Framework



HealthFlex Exchange—Timing

2016	2017	2018+
<p>Available to current HealthFlex plan sponsors who offer CDHP</p>	<p>Available to all HealthFlex groups, if desired</p>	<p>Continued migration as desired</p>
<ul style="list-style-type: none">• Limiting total number migrating• Early adopters have precedent for choice/consumerism	<p>Likely available to limited number of groups not currently in HealthFlex</p>	<ul style="list-style-type: none">• Assess need for definitive migration date

HealthFlex Exchange—Next Steps



HealthFlex Plan Sponsor Coverage Options

1

Remain “all in” HealthFlex— traditional group coverage; migration of plans to align with ACA

Remain “all in” HealthFlex Exchange model (2016-2017)

2

Move “all in” to public Marketplace with wellness, dental and vision standalone products for Marketplace-insured

3

Split Population: some HealthFlex, some public exchange; wellness, dental and vision standalone for Marketplace-insured



Center for Health