



Wespath

BENEFITS | INVESTMENTS

Center for Health

OCTOBER 2017

HealthFlex Strategy and Updates

HealthFlex Summit

Agenda

- Summit Overview
- HealthFlex Value and Direction
- HealthFlex Exchange, Consumerism, Health Accounts
- Decision Support
- 2018 Annual Election Update
- Opportunities Going Forward

HealthFlex Summit Overview



TODAY



Financial report, opportunities for controlling cost



Peer conversation—experience transitioning to HealthFlex Exchange



Brief regulatory update



TOMORROW



Industry view—pharmacy benefits, medications and OptumRx



Focused discussion—diabetes



More details—well-being programs and outcomes

HealthFlex Value and Commitment

High customer satisfaction

Sustainability for participants, employers, churches

Value-added services

**Advocacy—plan
and participant
levels**

**Extensive
well-being
offerings**

**Pooling of
catastrophic
claims**

**Church
sensitivity**

HealthFlex Focus—Near Future

- Engage participants
 - Onboarding and communications
 - Tools to support consumerism, health accounts, well-being
- Ensure best access to care
 - Network evaluations
 - Behavioral health plan modifications
- Improve service and process efficiency for plan sponsors



HealthFlex Exchange—Entering Year 3

HealthFlex Exchange as of January 2018

**17 of 32
plan sponsors**

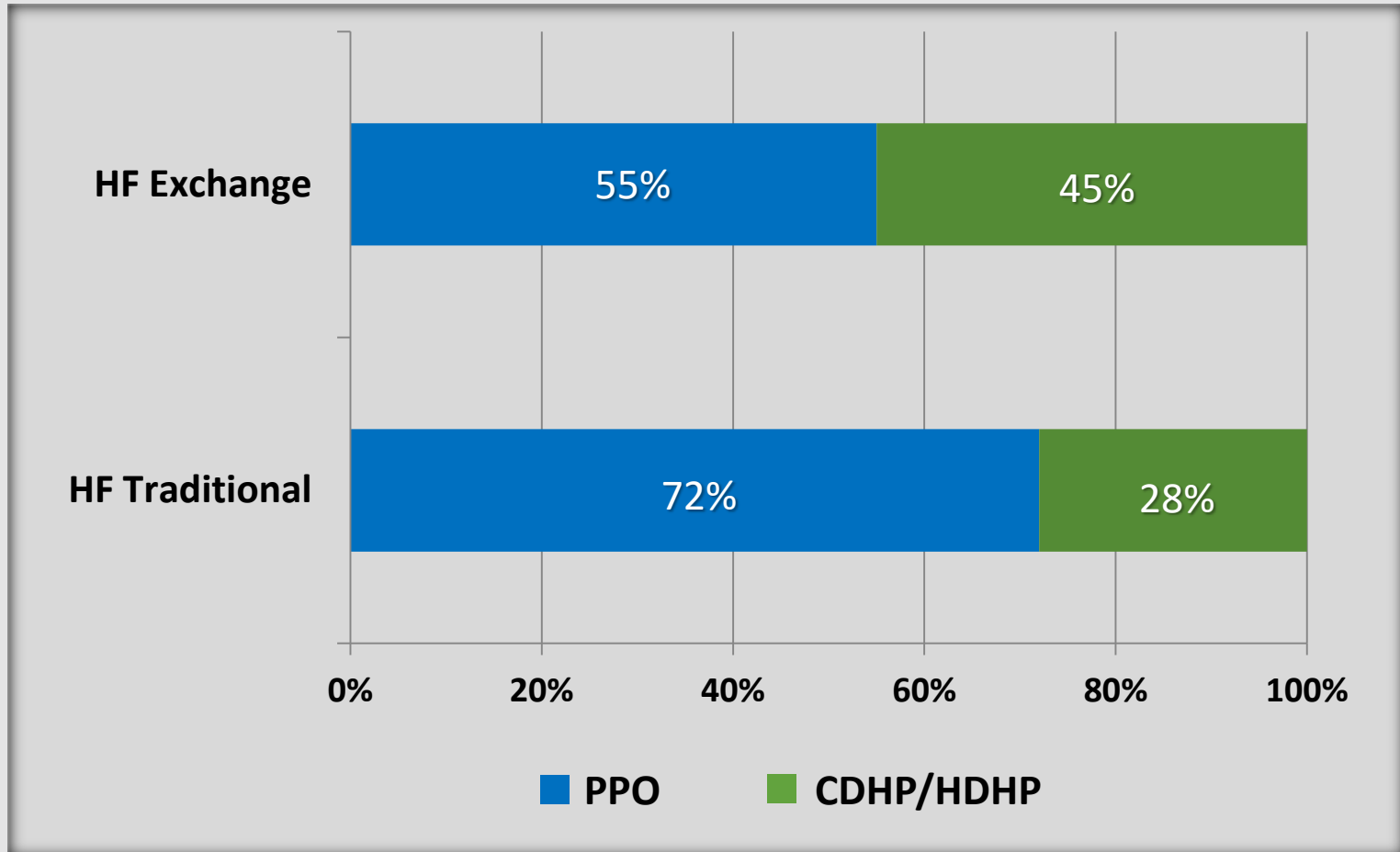
**Adopted
HealthFlex Exchange**

**9–10
plan sponsors**

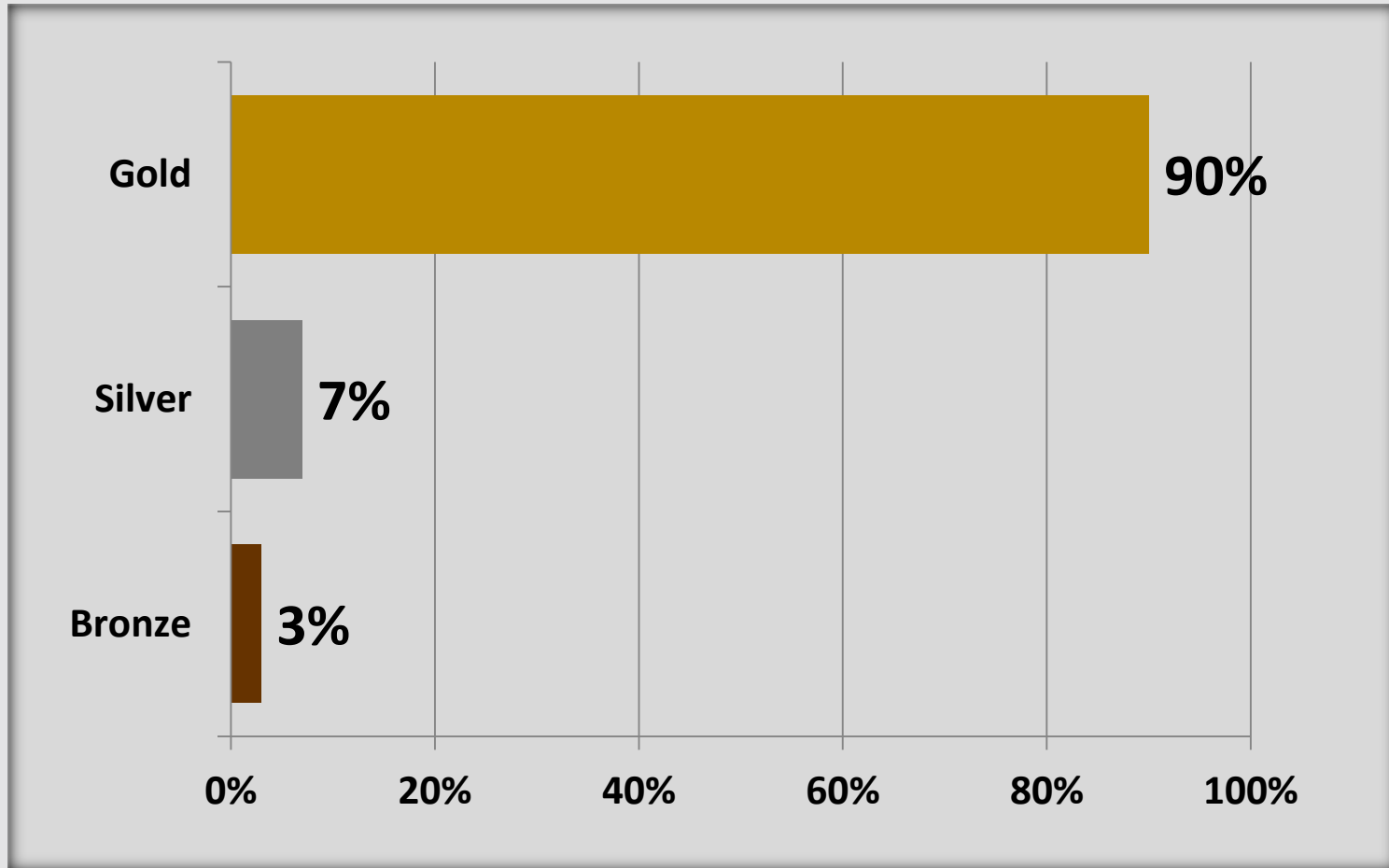
**Considering
HealthFlex Exchange—2019**

New plan sponsors coming
directly to HealthFlex Exchange
or with plan to transition
in second year

Year 2 Plan Enrollment— Traditional and HealthFlex Exchange





Year 2 Plan Enrollment— Gold, Silver and Bronze Plans



HealthFlex Exchange—Conceptual Framework

More Plan Options
6 Medical/Rx • 3 Dental • 3 Vision Options

 HIGH premiums, LOWER out-of-pocket	 LOWER premiums, HIGHER out-of-pocket
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YOU “Shop” for Plan with “Credit”
(defined contribution)

 More premium owed	 Less premium owed
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Premium costs offset by “credit”
(fixed defined contribution)



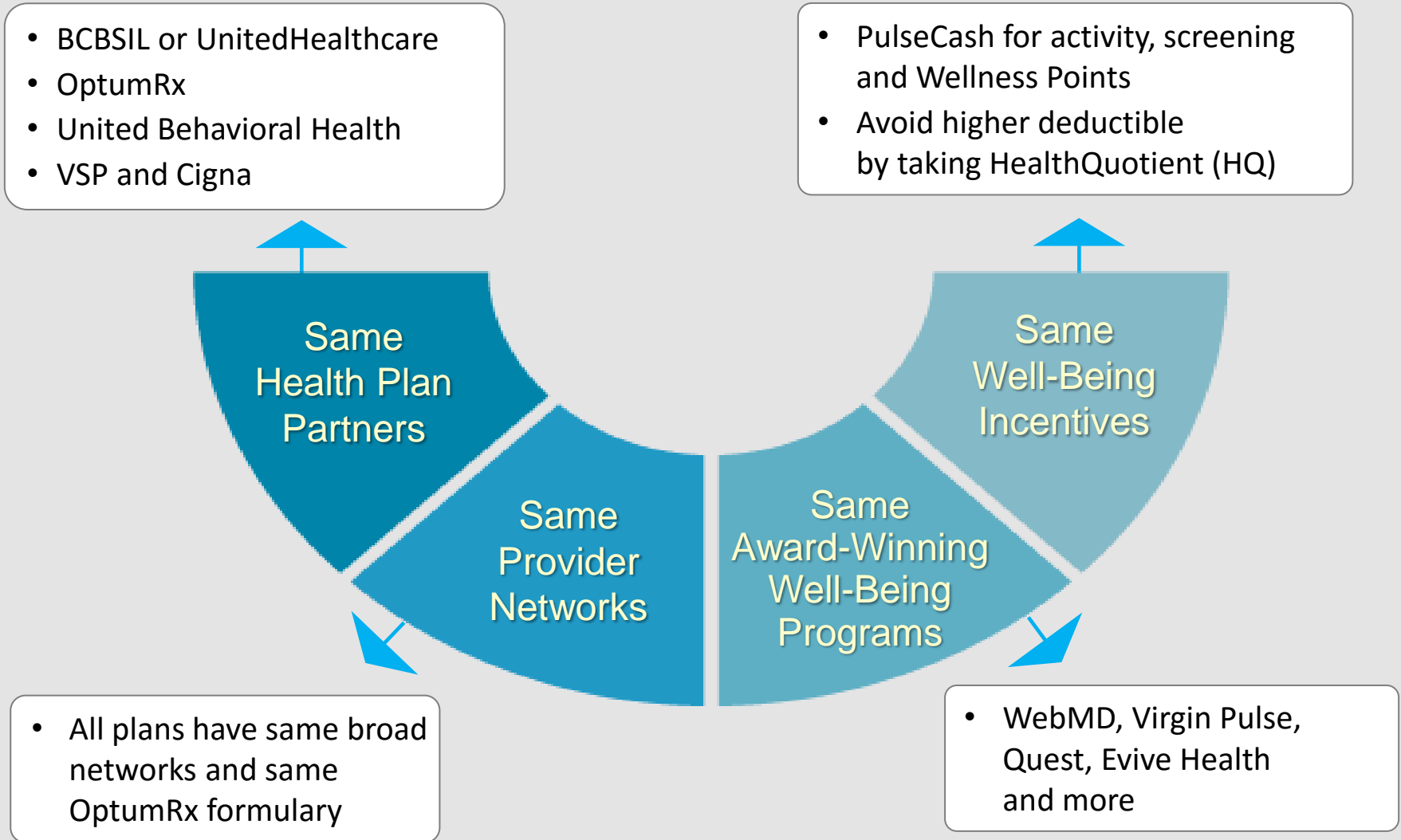
 Premium less than DC* (“credit”) = “Excess” deposit to: HRA or HSA*	or	 Premium exceeds DC* = Salary Deduction (Medical, Dental, Vision)
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* **HRA:** Health reimbursement account

HSA: Health savings account

DC: Defined contribution

HealthFlex Exchange—Same Quality



Health Accounts



FSA

(flexible spending account)



HRA

(health reimbursement account)



HSA

(health savings account)

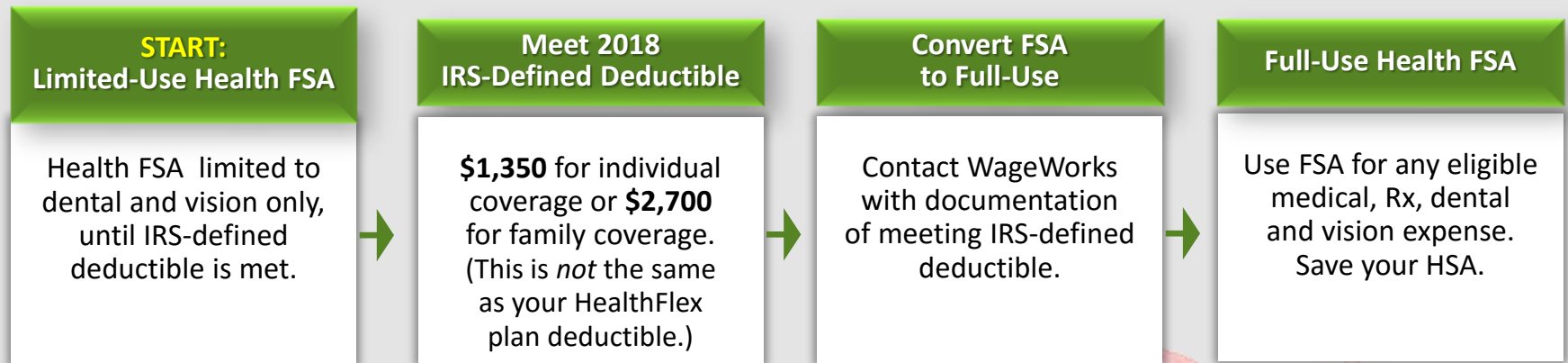
Why Promote Health Account Contributions?

- **Current year savings**—use tax-advantaged money for eligible expenses
- **Access accumulated funds**—no need to use a credit card or dip into savings
- **Save for future expenses** (health, retirement)

Leverage ALEX and EY Financial Planning Services for decision support



Limited-Use Accounts (HSA-Compatible)

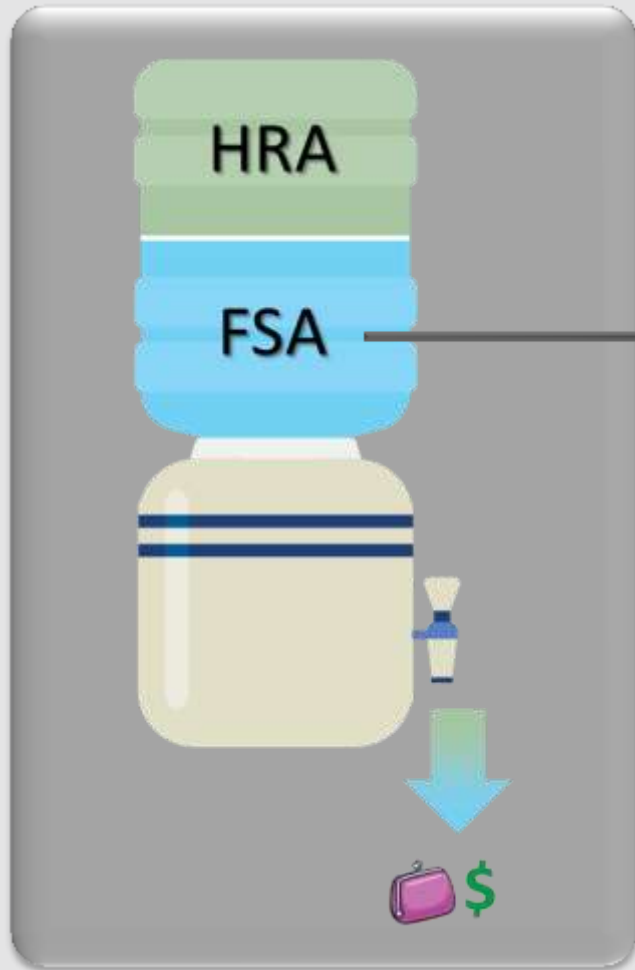


Applies to MRA or HRA (includes spouse's accounts)

MRA: Medical reimbursement account
(health care flexible spending account/FSA)



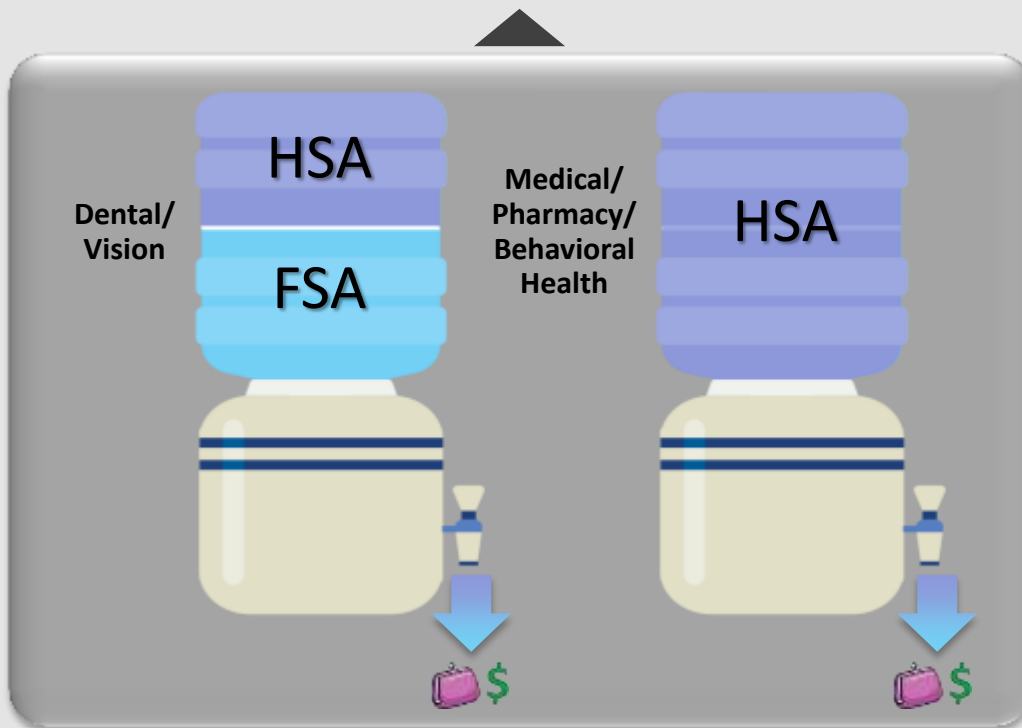
HRA and FSA Operations Review— “Smart” Stacking Debit Card



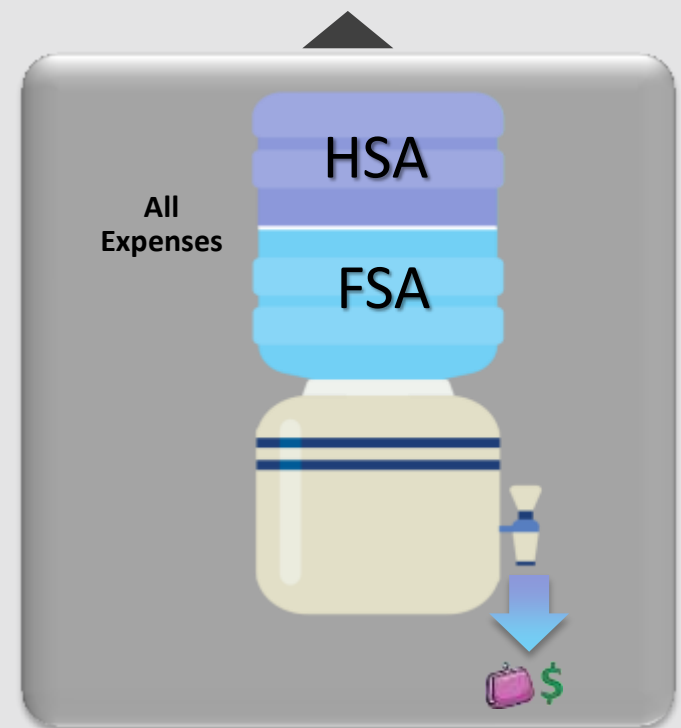
Use it or lose it!
FSA automatically pays first

HRA and FSA Operations Review— “Smart” Stacking Debit Card

BEFORE WageWorks notified that
IRS-defined deductible has been met—
\$1,350/\$2,700

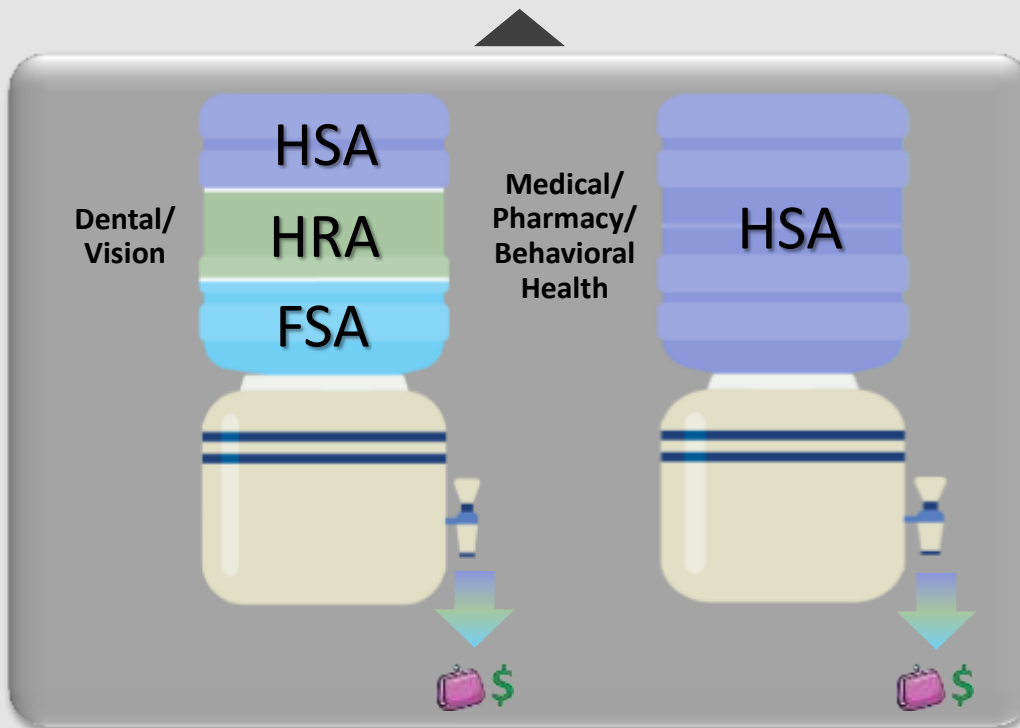


AFTER WageWorks notified that
IRS-defined deductible has been met

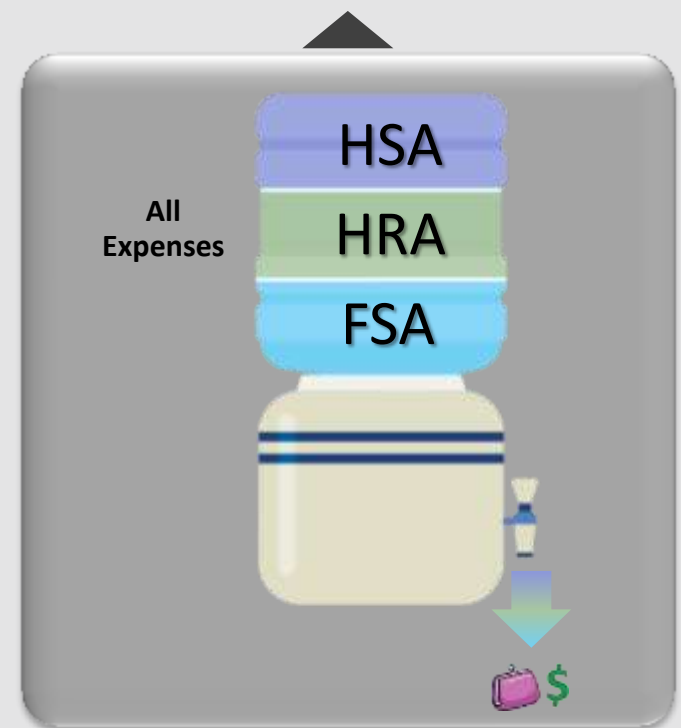


HRA and FSA (Plus Leftover HRA)— “Smart” Stacking Debit Card

BEFORE WageWorks notified that
IRS-defined deductible has been met—
\$1,350/\$2,700



AFTER WageWorks notified that
IRS-defined deductible
has been met



Decision Support

Participant

- ALEX Benefits Counselor
- Pilot—plan selection communications (Evoke Health)
- Plan selection “success stories” for CDHP/HDHP*

Plan Sponsor

- DC modeling



* **CDHP**: Consumer-driven health plan **HDHP**: High-deductible health plan

2018 Annual Election Update

November 1 – 16

- Communications—
mailer, toolkits, e-Blast
- Encourage ALEX and
health account contributions
- Post-election reporting
- ID cards, debit cards,
health account funding



Opportunities to Overcome Together

- High costs for specialty medications
- Participant comfort with consumer plans and silver/bronze plans
- High-cost conditions
- Participant engagement:
 - Health accounts and financial preparedness
 - Active decision-making
 - Self-care and well-being





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