



Wespath

BENEFITS | INVESTMENTS

HEALTHFLEX SUMMIT—SEPTEMBER 2018

HealthFlex Strategic Update



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HealthFlex—Strategic Objectives



High participant and plan sponsor satisfaction



High participant engagement



Seen as “provider of choice”
for Health Benefits in the UMC



Strategic, Organizational Project



Examining Current State

- Strengths
- Opportunities for improving service
- Opportunities for population growth



Data Collection

- Focus groups
- SWOT* analyses
- Comparison to industry best practices

* SWOT—Strengths, Weaknesses, Opportunities, Threats

Focus Groups—Priorities



Sustainability
and **affordability**



Well-being to make
a difference and bend
the cost curve



Financial security
regardless of health
status



Coverage: benefits
and network



Member experience
to avoid confusion
and fear



Flexibility (particularly
for groups not currently
with HealthFlex)

SWOT—High-Level Summary

S	Strengths <ul style="list-style-type: none">• Low average increases (pooling, economies of scale support)• Service (participants and plan sponsors)• ALEX, incentives, health accounts
W	Weaknesses <ul style="list-style-type: none">• Multiple brands• Fragmented participant experience• Everything is bundled
O	Opportunities <ul style="list-style-type: none">• Financial transparency• Expansion to other UMC entities• Education (benefit opportunities, tips for using health care)
T	Threats <ul style="list-style-type: none">• Demographics/aging/claims• Cost of health care is high• Hard for individuals to understand why health care costs so high

Outcome of Strategic Focus

3- to 5-Year Plan to Enhance Wespath's Health Benefit Offering

5 Areas for Development

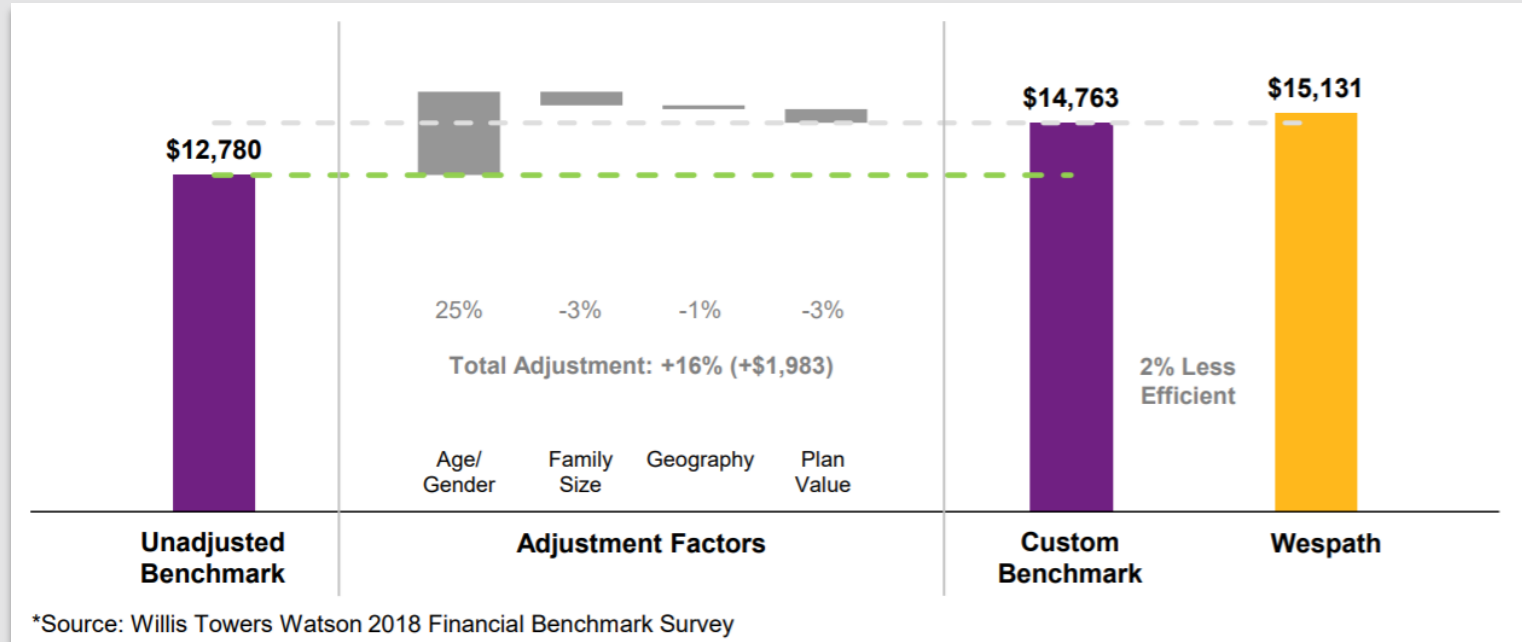
- Cost efficiency and market competitiveness
- Participant experience and engagement
- Population health
- Balancing flexibility with operational efficiency
- Growth opportunities

Cost Efficiency and Market Competitiveness

Manage Health Care Costs

- Optimizing vendor relationships
- Ensuring the highest level of value from each program offered
- Managing health conditions
- Empowering individuals to make the best choices for health and health care

Cost Efficiency and Market Competitiveness



We have opportunities to improve our overall cost efficiency

Cost Efficiency and Market Competitiveness

- Vendor fee renegotiations and RFPs, if needed
- Leverage Rx coalitions and market checks
- Evaluating alternative networks



Cost Efficiency and Market Competitiveness

Other Possibilities



Carve-in behavioral health
(evaluating for 2020 or 2021)

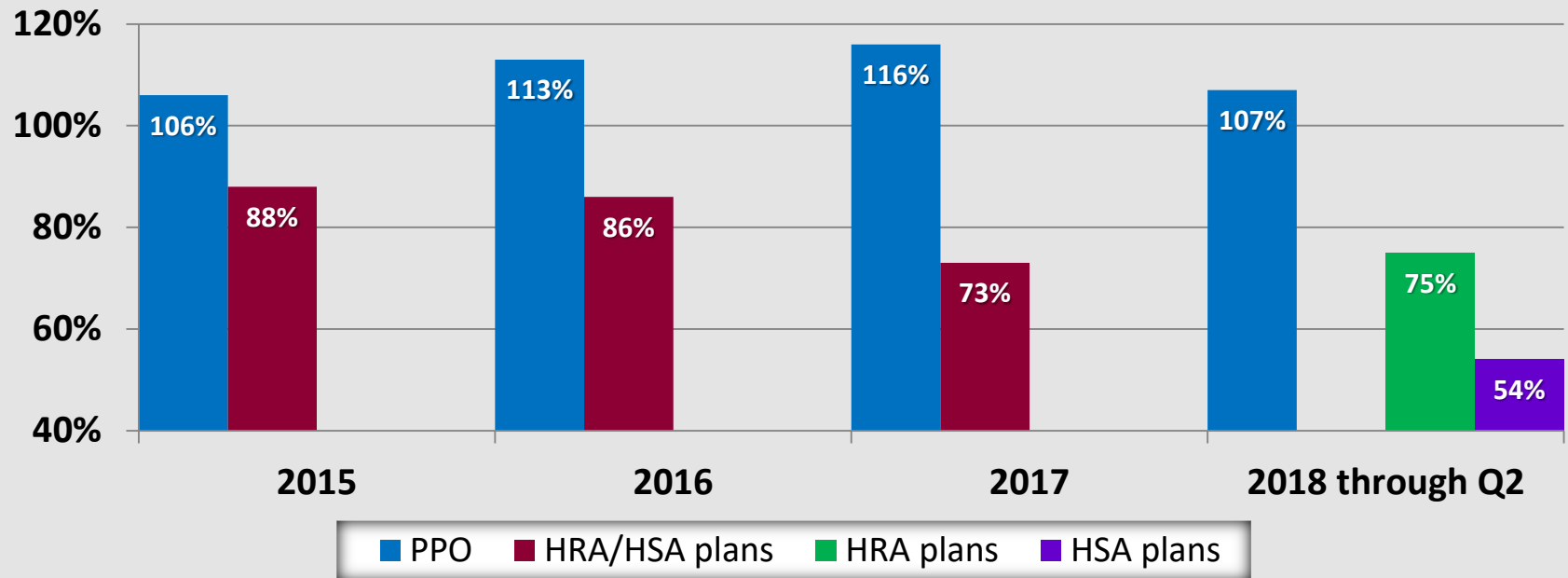


Update pharmacy plan design

- Wespath participant cost share on average 12% vs. 22% “best in class” (neither includes rebates)

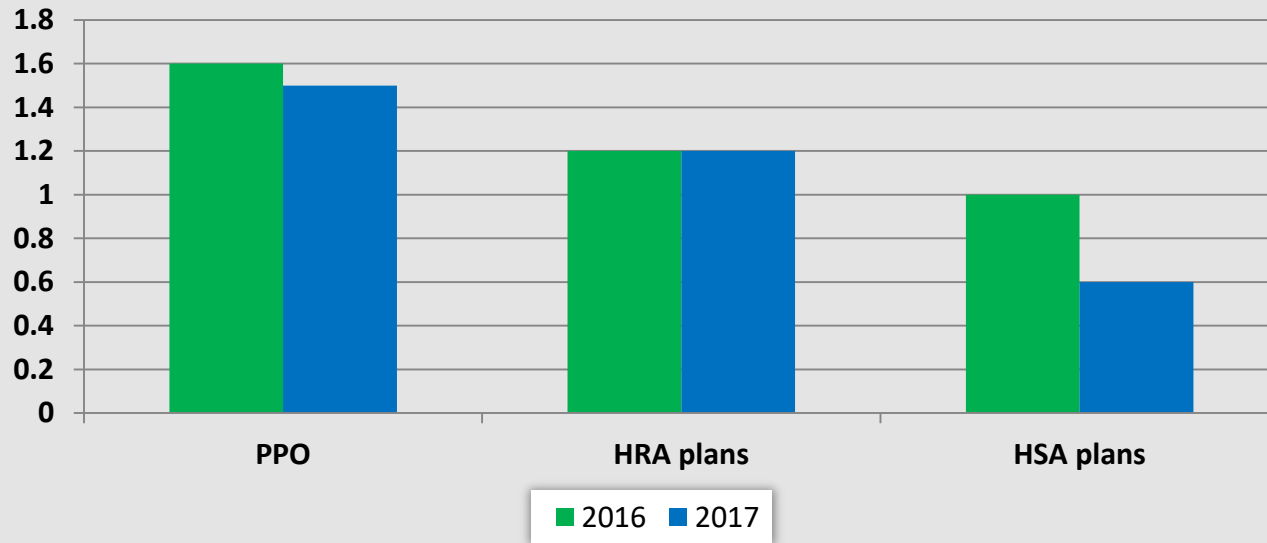
Cost Efficiency and Market Competitiveness— Emphasis on Account-Based Plans

Historical Claims Funding Ratios by Plan Type



Cost Efficiency and Market Competitiveness— Account-Based Plan Consumerism

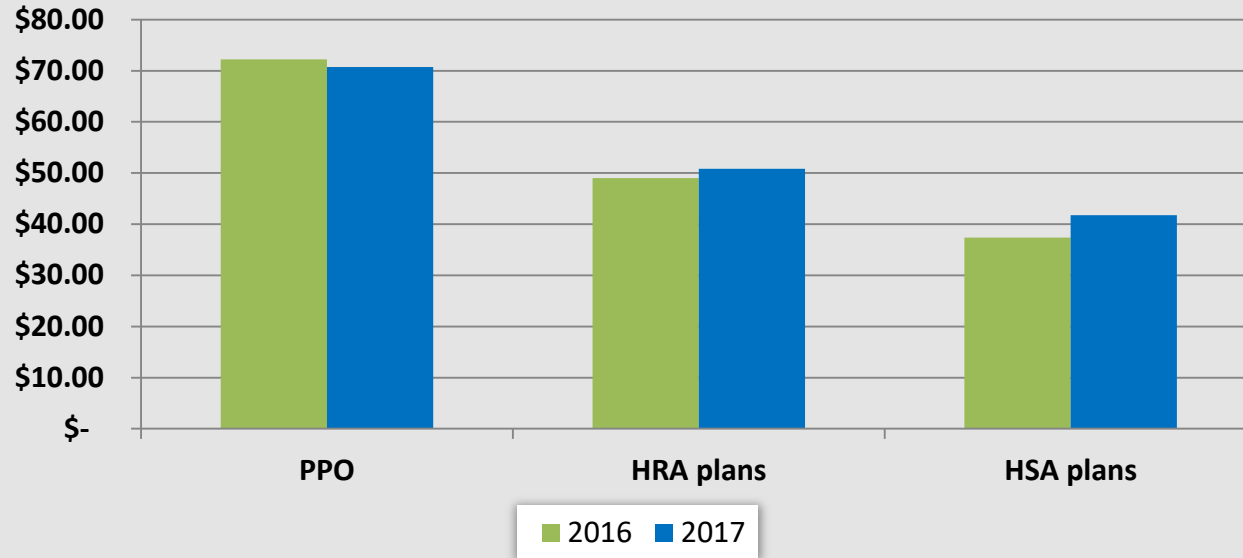
Number of Lab and Radiology Services Per Member



Lower frequency of lab and radiology services in account-based plans can be a combination of consumerism and selection bias

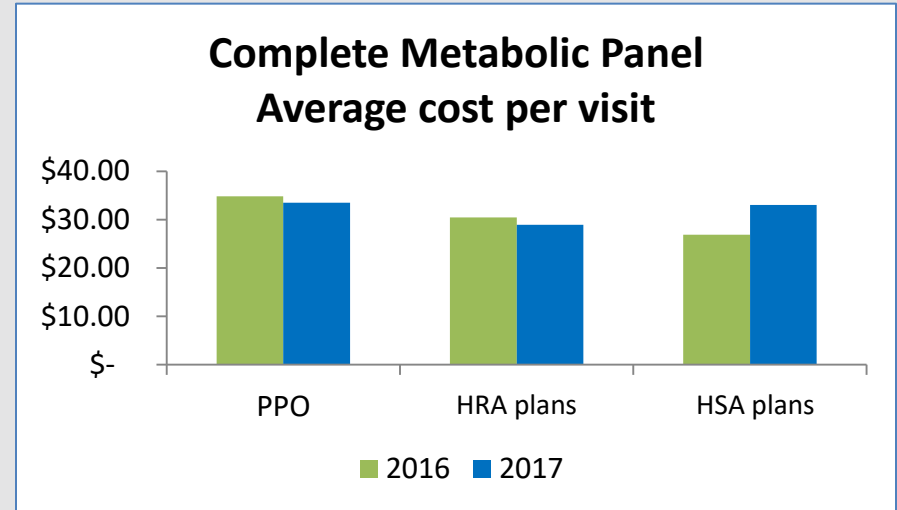
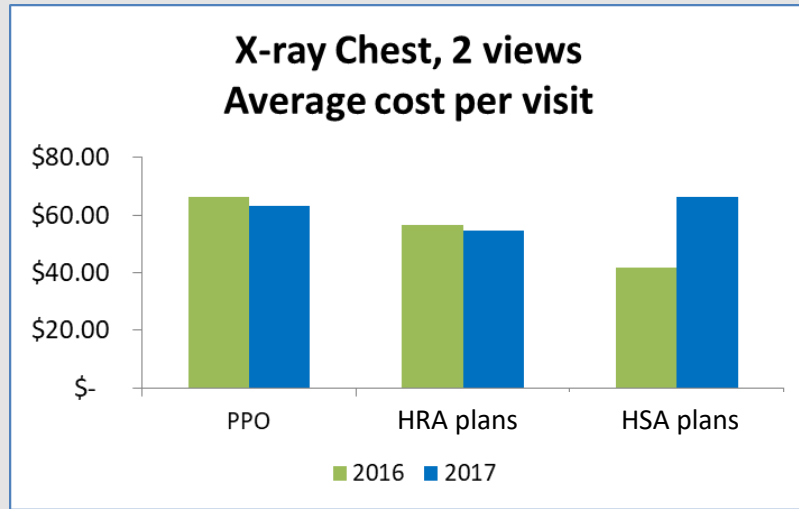
Cost Efficiency and Market Competitiveness— Account-Based Plan Consumerism

Average Allowed Cost Per Lab/Radiology Service



Lower average cost of lab and radiology services could be related to differences in types of service or due to consumerism

Cost Efficiency and Market Competitiveness— Account-Based Plan Consumerism



Mixed evidence of consumerism when we look deeper at specific types of service

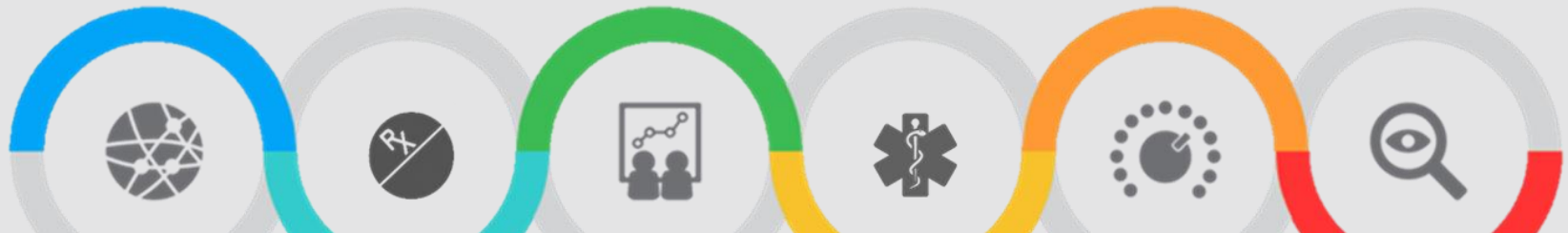
Cost Efficiency and Market Competitiveness

Improved Proposal Processes

- Apples to apples comparison
- Transparency
- HealthFlex proposals will offer clarity about what you are getting and comparing

Participant Experience and Engagement

- Know where to get necessary information
- Access information in the way that works for individuals
- Enroll in the right plan for each household to be the best consumers of health care



Participant Experience and Engagement

Participants don't memorize our vendors or what they do

- Wespath must help make that easier



Participant Experience and Engagement

The screenshot displays a user interface with several sections:

- Today would be a great day to...** (blue header)
 - Retake your HealthQuotient
 - Track your waist size
 - Sync your device with WebMD
- My HealthFlex Benefits** (red-bordered box)
 - Medical, Dental, Vision
 - Prescription Drugs
 - Behavioral Health
 - Health Accounts
 - Well-Being Programs
 - More!
- HealthFlex Details and FAQs**
 - Find detailed information for HealthFlex programs, benefits and incentives.
- HealthFlex News**
 - New for 2018—NutriSavings.**
 - This new resource makes it easier to “shop healthy” at the grocery store. Learn more.
- Footer navigation:**
 - [Quest Diagnostics Blueprint for Wellness](#)
 - [Join Virgin Pulse](#)
 - [HealthFlex Wellness Points](#)
 - [Device Connection Center](#)
 - [Plan coverage/ Changes/Information](#) (red-bordered box)

Short-term web enhancements

Participant Experience and Engagement

Short-term web enhancements:

Health Plan Benefits

- [Medical - BCBS*](#)
- [Prescription Drugs – OptumRx*](#)
- [Dental – CIGNA](#)
- [Vision – VSP](#)
- [Telemedicine – MDLIVE](#)
- [Behavioral Health – UBH](#)
- [Health Accounts – WageWorks*](#)
 - Dependent Care Account (DCA)
 - Flexible Spending Account (FSA)
 - Health Reimbursement Account (HRA)
 - Health Savings Account (HSA) and tax form
- [Plan coverage/Changes/Information*](#)

Well-Being Programs

- [Biometric screening – Quest Blueprint for Wellness*](#)
- [Counseling, Support resources \(EAP\)](#)
- Financial Well-Being Resources (for those with Wespath accounts)
 - [Retirement Accounts – Benefits Access](#)
 - [Financial Planning Services with EY](#)
- [Healthy grocery shopping – Nutrisavings*](#)
- Physical activity/well-being program – Virgin Pulse
 - [Not a member yet? Join Virgin Pulse](#)
 - [Members Login](#)
- [Weight Watchers](#)
- [Health reminders - Evive](#)

Participant Experience and Engagement

Longer-Term Unified Web Experience

- Health, well-being, retirement readiness
- Concierge vs. navigation experience



Participant Experience and Engagement— Updates to Terminology

- Sunsetting “**Center for Health**”
- For HealthFlex Exchange
 - **Premium Credit** replaces Defined Contribution
 - Updates to plan names
 - H1500 with HSA, H2000 with HSA, H3000 with HSA
 - C2000 with HRA, C3000 with HRA
 - B1000
 - Use gold/silver/bronze colors, but not names

Participant Experience and Engagement— Updates to HealthFlex Exchange Terminology



**Which Plan
is Your Best Fit?**

Gold / Silver / Bronze

Reflect **premium cost**
rather than quality
of plan

Plan Similarities and Differences

	HSA Plans	HRA Plans	B1000
Preventive Services (in-network covered at 100%)	●	●	●
Out-of-Pocket Maximum (includes deductible, co-payments, and co-insurance for medical, behavioral health and pharmacy)	●	●	●
Inpatient/Outpatient Medical Services After you pay deductible, then plan co-insurance helps pay costs	●	●	●
Broad, Nation-Wide Networks and drug formularies	●	●	●
Doctor, Urgent Care, and ER Visits— Fixed co-payment			●
Doctor, Urgent Care, and ER Visits— Co-insurance after deductible is met	●	●	

Plan Similarities and Differences

	HSA Plans	HRA Plans	B1000
Pharmacy (copayment before deductible is met)		●	●
Pharmacy (copayment after deductible is met)	●		
Mental Health Outpatient Counseling —Fixed copayment			●
Mental Health Counseling — Coinsurance after deductible is met	●		
Mental Health Counseling — Coinsurance before deductible is met (you don't have to pay deductible first)		●	

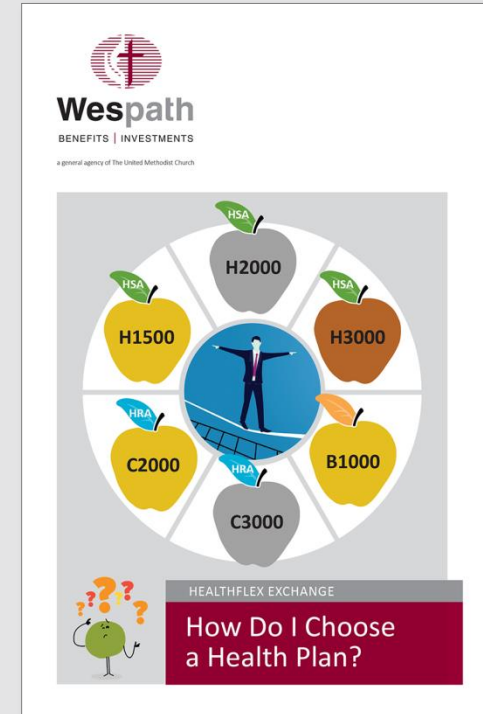
Plan Similarities and Differences— Another Way to Look at It

	HSA Plans	HRA Plans	B1000
Medical office visits	Deductible and coinsurance	Deductible and coinsurance	Copay
Urgent care			
ER visits			
Hospitalization			Deductible and coinsurance
Other medical services			
Behavioral health office visits	Coinsurance, no deductible	Copay	
Prescription drugs	Deductible, then copay/coinsurance	Copay/coinsurance	Copay/coinsurance

Participant Experience and Engagement— Updates to HealthFlex Exchange Terminology

- New videos
- Simplified paper communications
 - *How do I Choose?* Brochure
 - Plan side-by-sides
 - Health Accounts

Communications will leverage new terms as well as visual imagery and continuity in describing concepts



Participant Experience and Engagement

ALEX + “Making the Most of Your Plan”

Tools in
“plain English”
with humor!



Participant Experience and Engagement

Health Account Contributions = Engagement in Financial Well-Being

Only 35%

contributed to
health accounts
for 2018

>90%

with at least
\$300 in expenses

Why Contribute to a Health Account?



Current Year Savings

Use pre-tax money for eligible expenses

Access Accumulated Funds

No need to use a credit card or dip into savings

**Save for
Future Expenses**
Health, retirement

HSA
Triple-tax advantage

How the Tax Savings Works

If a member has \$2,500 in health care expenses:

No health account contribution:
Pay tax on that \$2,500

Contribute to an HSA or FSA:
Pay no tax on that \$2,500

If the tax bracket is 22%, take home this much more

\$550

Participant Experience and Engagement

Targeted Outreach

Individuals with 2018 FSA carryover and 2019 FSA

Individuals who elect FSA without maximizing HSA

Individuals with HSA and FSA elections

Individuals who elect an HSA plan without accepting HSA terms and conditions



Participant Experience and Engagement

Health Education Efforts

- Health plan session at revitup!
- HealthFlex Exchange materials
- Making the Most of your Plan
- Social media posts



Population Health



Well-Being Programs

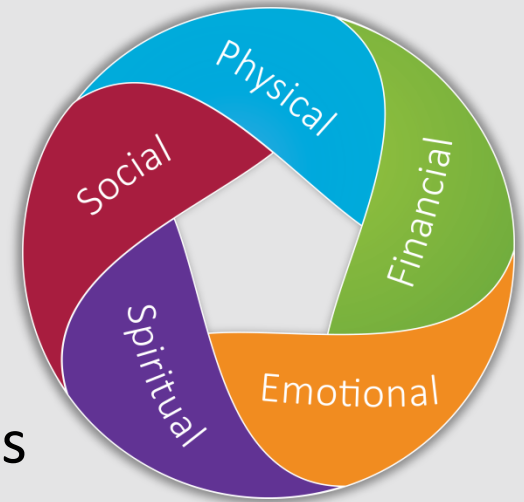
- Improve the health of the population
- Reduce claims costs for plan sponsors

HealthFlex programs positively impact the health and productivity of those who serve the UMC

Population Health

Wespath's commitment to well-being through HealthFlex

- We believe in the impact of well-being—well-being will not be modular
- We will continue to share impact
- Well-being underscores our focus on cost efficiency and market competitiveness



Population Health



Current focus → Diabetes



Future focus → Musculoskeletal

Tied to obesity, opioids, UMC disability

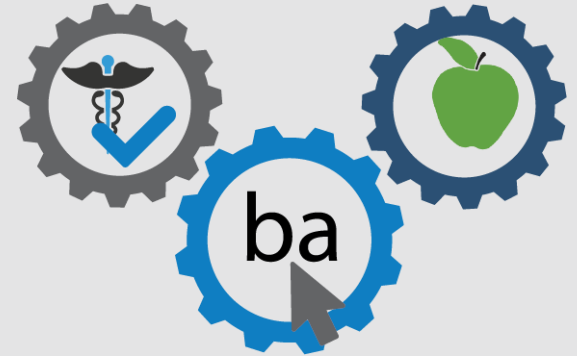
Flexibility and Standardization

- Meeting each plan sponsor where they are
- Offer flexibility and personalization without sacrificing process quality and efficiency



Flexibility and Standardization

- All HealthFlex Exchange by 2021
- Mandatory rules, automatic enrollments
- Integration with Benefits Access Portal



These are how we achieve process and administrative efficiency

Flexibility and Standardization

Improvements in these areas

- Self Service, reduction in forms for participant transactions
- Exploration of online adoption agreement opportunity

Wespath
BENEFITS | INVESTMENTS
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Greenville, Illinois 62030-3000
1-800-851-2301
wespath.org

HealthFlex Plan Sponsor Adoption Agreement

Plan Sponsor name _____
HealthFlex # _____ UMC ID # _____

- Whereas, the General Board of Pensions and Health Benefits of the United Methodist Church, incorporated in Illinois (Wespath) administers the Hospitalization and Medical Expense Program (the Plan), also known as HealthFlex;
- Whereas, the Plan includes a group health plan that includes several group health benefit options and group mental health benefit options, a group dental benefit plan, a group vision benefit plan, a premium conversion plan, a medical reimbursement account, a dependent care reimbursement account, a health reimbursement account (HRA), a health savings account (HSA) and various other programs;
- Whereas, Wespath administers the Plan generally, with respect to active clergy and lay employees, as a cafeteria plan, under 1325 of the Internal Revenue Code of 1986 (the Code), which includes a premium conversion plan for all required contributions and premiums (Required Contributions) related to group health, dental and vision benefits, and reimbursement accounts for health care expenses and dependent care expenses;
- Whereas, under the terms of the Plan, a Plan Sponsor may, by execution of a proper Adoption Agreement, adopt the Plan for the benefit of all eligible clergy and eligible lay employees of all eligible Salary-Paying Units located within the jurisdiction of such Plan Sponsor, which shall be limited to those Salary-Paying Units specified in the Plan materials and in Exhibit A attached hereto and incorporated hereto by reference (the Salary-Paying Units); and
- Whereas _____, (hereinafter the Plan Sponsor under the terms of this Adoption Agreement), is eligible for and wishes to adopt the Plan.

Now, hereafter, by this instrument, effective as of _____, the Plan Sponsor hereby adopts the Plan for all eligible employees of the eligible Salary-Paying Units that have executed appropriate documents regarding their participation in the Plan in accordance with the following:

- 1.a) The Plan Sponsor agrees to be bound by all the terms, provisions, administrative policies and guidelines of the Plan including, but not limited to, the plan document and the Adoption Agreement as administered by Wespath that are pertinent to any Plan Sponsor with respect to the eligible employees of the eligible Salary-Paying Units.
- 1.b) The Plan Sponsor agrees to comply fully with all financial, actuarial, legal and administrative policies, guidelines and procedures of the Plan as requested or directed by Wespath.
- 2.a) The Plan Sponsor shall elect in Exhibit A attached hereto the optional categories of coverage that will be provided under the Plan, as adopted by the Plan Sponsor.
- 2.b) The Plan Sponsor agrees to offer Plan coverage to all of the eligible clergy and eligible employees of the participating Salary-Paying Units (Eligible Persons). The Plan Sponsor must offer coverage under the Plan to these Eligible Persons and then, to the extent that the Plan allows elective participation by such Eligible Persons, these enrolled Eligible Persons will proceed to elect whether to participate in the Plan. The Plan Sponsor agrees to make any necessary records and data available to Wespath in order to determine the eligibility of all eligible and potentially eligible employees, spouses and other dependents pursuant to the terms of the Plan and this Adoption Agreement.

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a general agency of the United Methodist Church

Opportunities for Growth

- Other annual conferences
- Other UMC-affiliated employers
 - UMPIP plan sponsors
 - Wespath institutional clients
- Smaller UMC employers and local churches
- Exploring new standalone wellness opportunities



HealthFlex Plan Design Optimization— Crosses All Areas for Development

For 2019

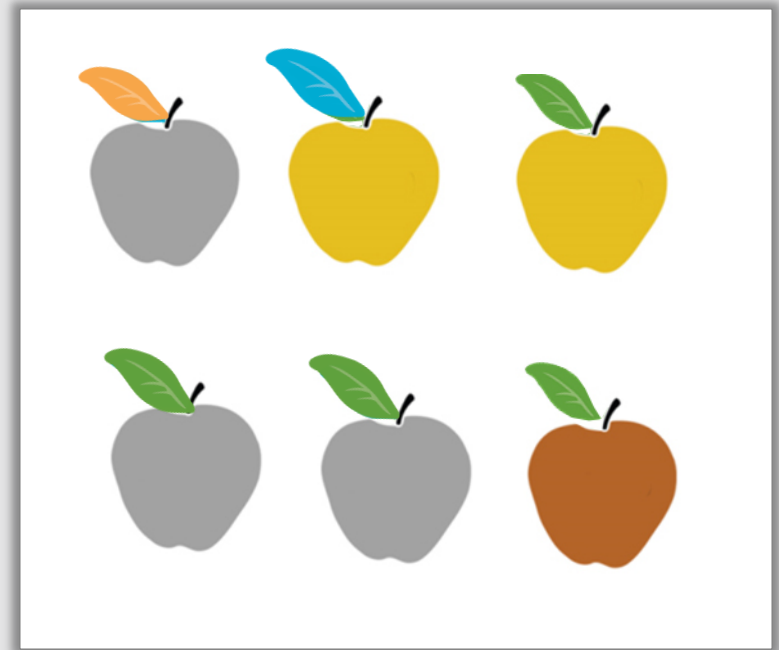
- Improved hearing aid coverage—all plans
- Improved behavioral health office visit coverage—HRA plans
- Removal of missing tooth limitation for dental plans

Low-cost, “feel-good” opportunities for benefit improvements

Plan Design Optimization— Crosses All Areas for Development

For 2020 or 2021

- Focus on HSA options
 - PPO and HRA option(s) still available
- Reduce OOP maximums
- Redesign Rx cost sharing
- Offer lower cost dental HMO



Wespath's HealthFlex Commitment to Participants




Caring for Those Who Serve

- Affordable health benefits—regardless of health status
- Empowering our participants to be good consumers of health

Wespath's HealthFlex Commitment to Plan Sponsors

- Support for you and your participants
- Financially sustainable benefits—affordable to participants and to employers/local churches
- Minimized administrative load





Thank you for your partnership



Wespath

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