



HealthFlex Summit—October 2019



Wespath

BENEFITS | INVESTMENTS

Using Data to Drive Decisions: 201

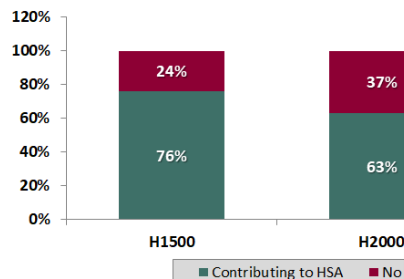
Agenda

- Personal Plan Selection—
Determining the “Right” Plan
- Lowest Cost Plan Analysis
- How Rational Is Plan Choice Behavior?
- Future and Next Steps



Use of Data to Inform HealthFlex Decisions

Personal HSA Contribution Status by Plan

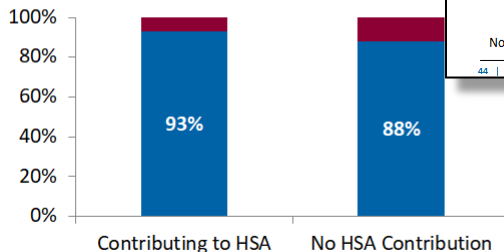


Population (n=1,066) includes individuals eligible to contribute to HSA in 2018

32 | Wespath

Relationship Between HSA and UMPIP Contribution

Those who contribute to HSAs contribute more to UMPIP

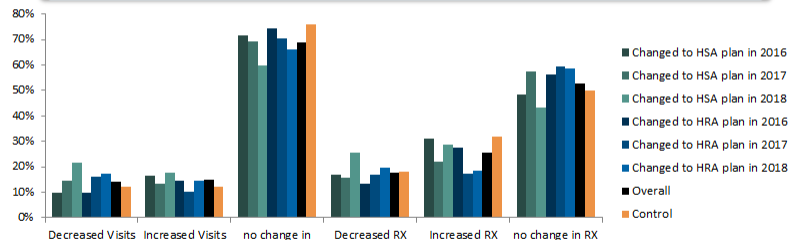


Average % UMPIP Contribution for HSA contributors = 6.42% vs. 5.05% for non-contributors

37 | Wespath

Did Benefit Use Decrease in HRA/HSA Plans?

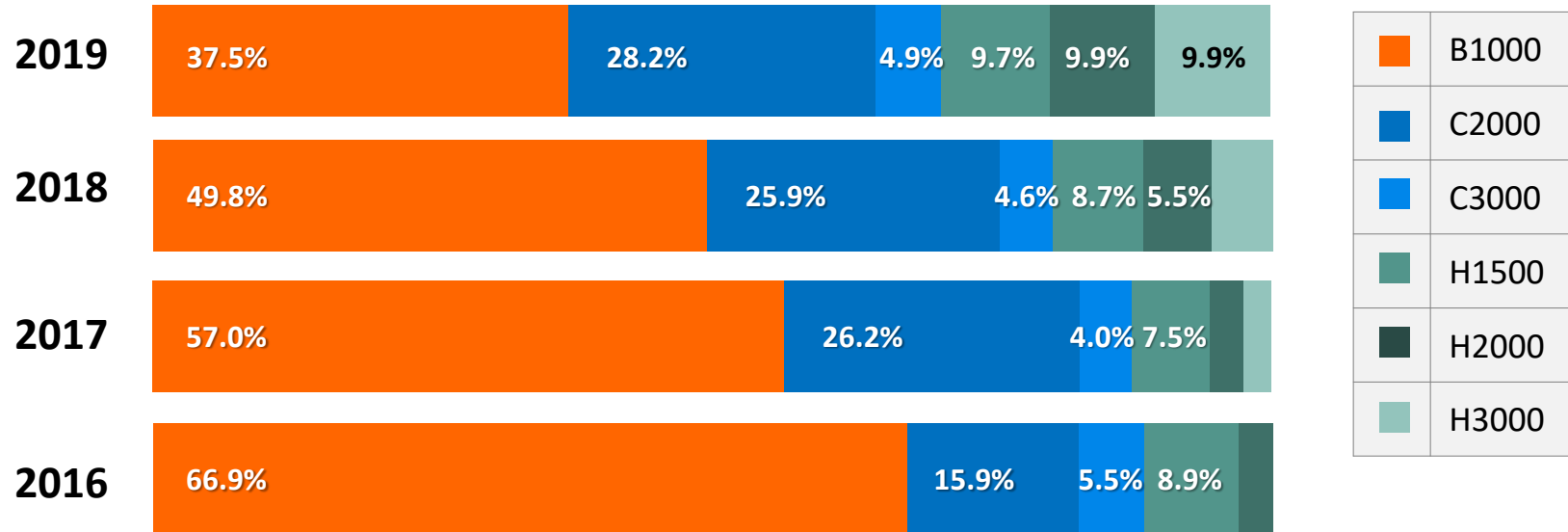
On average, those moving to HRA/HSA plans did not decrease their utilization



No change includes +/- 2 visits or 2 prescriptions; For most cohorts, less than 20% of members decreased visits and Rx fills.

44 | Wespath

Plan Migration in HealthFlex Exchange



Traditional plan sponsors have 83% enrollment in B1000 in 2019

Personalized Data—Choosing the “Right” Plan

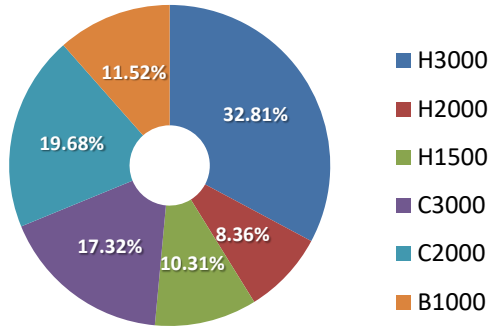
- **Explored a pilot with Evive**
 - Use actual claims data to determine most cost effective plan
 - Unable to validate the data and feel comfortable with the results
- **ALEX Benefits Counselor**
 - Participants enter estimated utilization to get a recommended plan
 - Ability to track, on aggregate, recommended plans



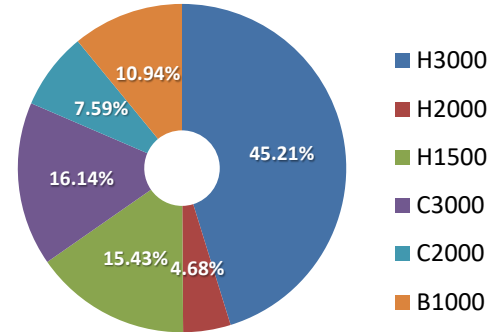
Historical Results from ALEX

Does ALEX[®] always recommend the H3000?

Recommended Plans for 2018



Recommended Plans for 2019



Why the H3000?



ALEX[®] highlights the most cost-effective plan!

Due to significantly **lower premium** and **only a slightly higher out-of-pocket maximum**, **H3000** can be most cost-effective for individuals with very low or very high costs



Getting to a More Complete Picture

- How can we use data to determine the “right” plan
- Engaged Willis Towers Watson to complete some analysis at the aggregate level



Participant Out of Pocket Cost Analysis—Overview

- Wespath and Willis Towers Watson conducted an analysis of HealthFlex participants' out-of-pocket costs from 2017 and 2018
- Determine whether participants enroll in the lowest cost plan
- Participant's claims were summarized across nine different medical and Rx categories
- Total cost assumption included
 - Provisions for all 6 HealthFlex plans
 - HRA and HSA and participant contributions
 - Conference-specific premium credit amounts

Participant Out-of-Pocket Cost Analysis—Assumptions

Assumptions applied to analysis:

- Services are in-network
- Participants completed their HealthQuotient
- No preventive care services
- Average allowed cost per service used
- Standard order of services used
 - Prescription drugs
 - Medical services
- Non-covered costs not included
- No personal HSA contributions
- 80% subsidy rate for non-HealthFlex Exchange conferences

Participant Out-of-Pocket Cost Analysis—Example

Participant Only Coverage in Sample Conference

Type of Service	2018 # of Units	2018 Allowed Cost / Unit	2018 Allowed Cost
Generic Script	14	\$12	\$163
Brand Script	4	\$59	\$238
PCP Visit	8	\$279	\$2,229
Specialist Visit	1	\$57	\$57
BH Visit	0	\$0	\$0
Therapy Visit	0	\$0	\$0
ER Visit	0	\$0	\$0
IP Admit	0	\$0	\$0
OP Procedure	13	\$122	\$1,580
Total			\$4,267

Type of Service	B1000	C2000 with HRA	C3000 with HRA	H1500 with HSA	H2000 with HSA	H3000
Estimated Out-of-Pocket Cost	\$1,649	\$2,636	\$3,696	\$2,106	\$2,742	\$3,802
HRA/HSA Contribution	\$0	(\$1,000)	(\$250)	(\$750)	(\$500)	\$0
2020 Participant Premium	\$1,368	\$840	(\$708)	\$564	(\$264)	(\$1,440)
Estimated Total Participant Cost	\$3,017	\$2,476	\$2,738	\$1,920	\$1,978	\$2,362

Current Plan

Lowest Cost Plan

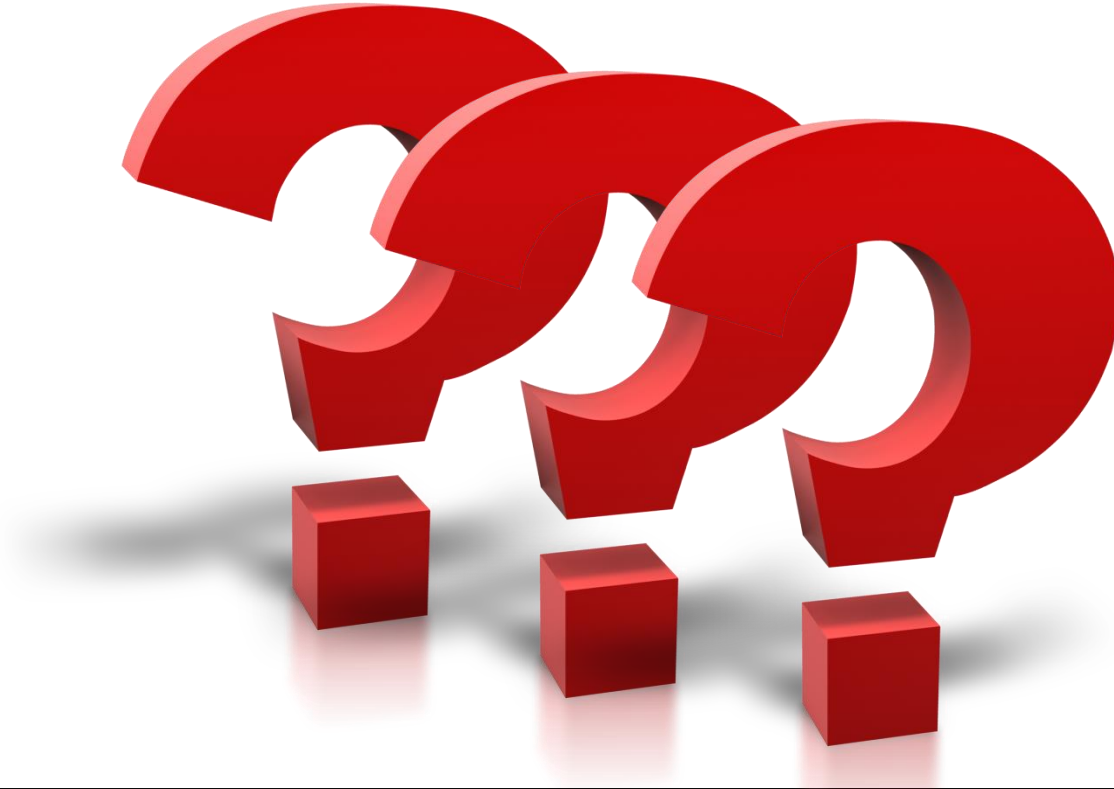
Total Annual Cost Is Not the Only Consideration

Other consideration include

- Avoid higher deductible plans with potential large out-of-pocket payments
- Prefer the certainty of a copay when they visit the doctor
- Some people find HSA to be more valuable

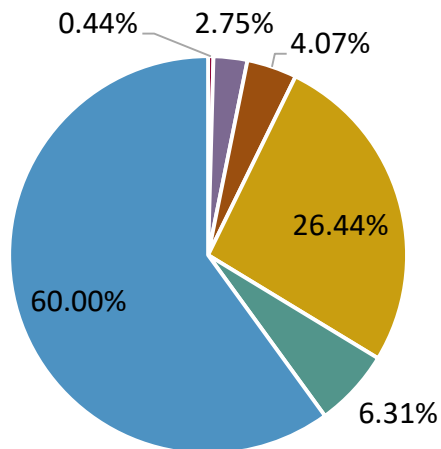


Mentimeter Questions

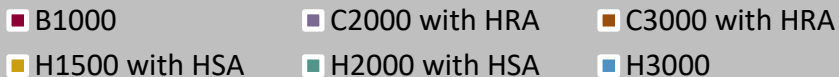
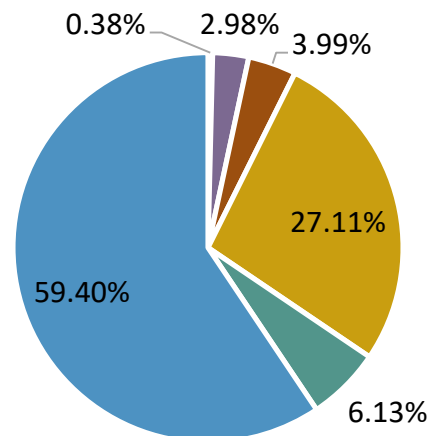


Initial Insights—Lowest Cost Plan

Lowest Total Cost Plan
(HealthFlex Exchange Only)

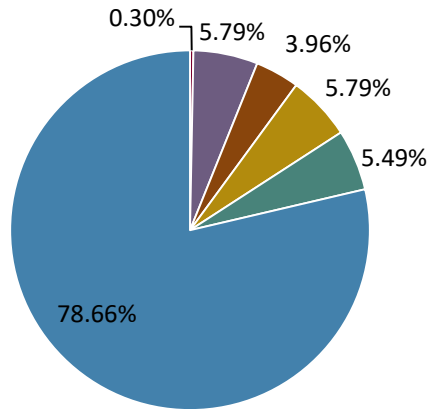


Lowest Total Cost Plan
(All HealthFlex Plan Sponsors)

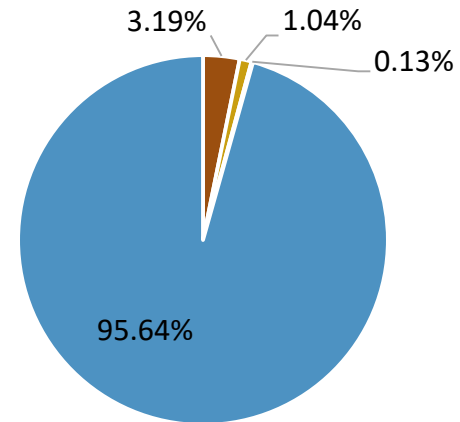


Does Utilization Impact Results?

Lowest Total Cost Plan
(> \$100,000 in Total Claims)



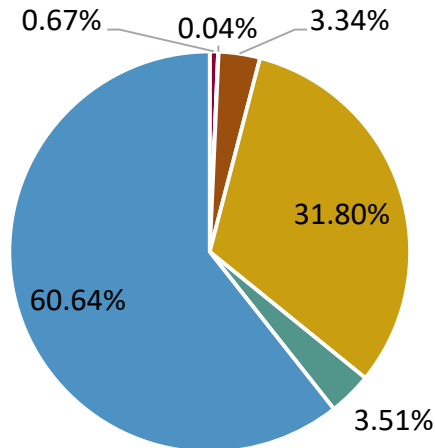
Lowest Total Cost Plan
(< \$3,000 in Total Claims)



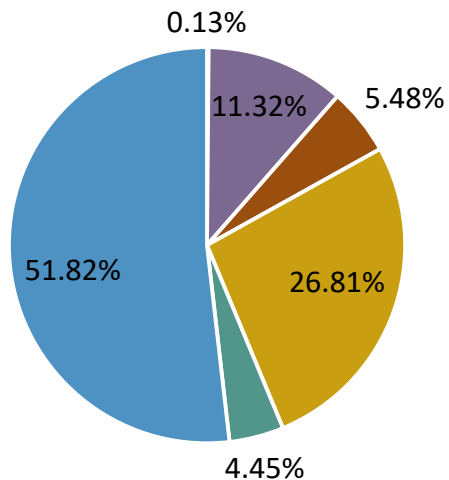
- B1000
- C2000 with HRA
- C3000 with HRA
- H1500 with HSA
- H2000 with HSA
- H3000

Does the Coverage Tier Impact Results?

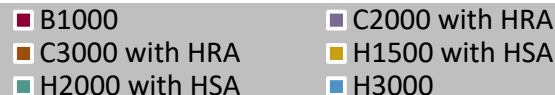
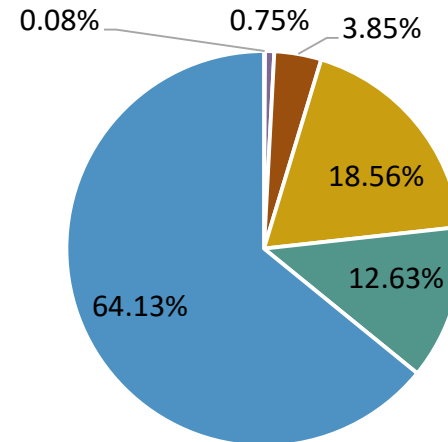
Lowest Total Cost Plan
(Participant)



Lowest Total Cost Plan
(Participant + 1)

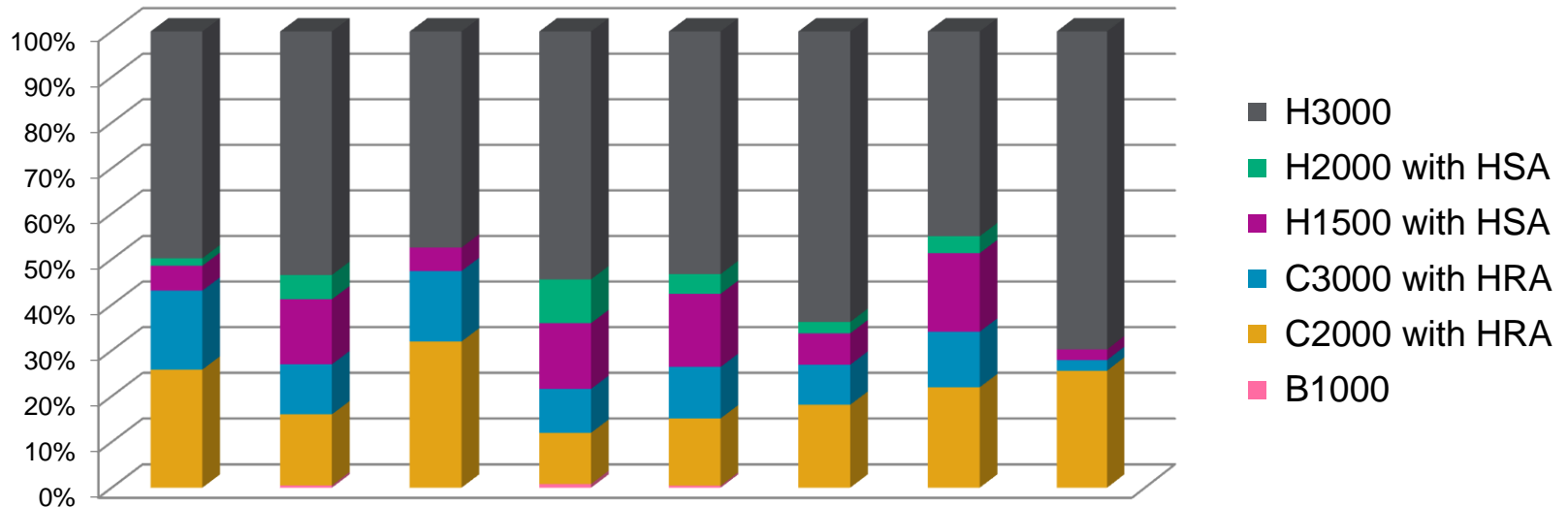


Lowest Total Cost Plan
(Family)



Additional Support for HealthFlex Exchange

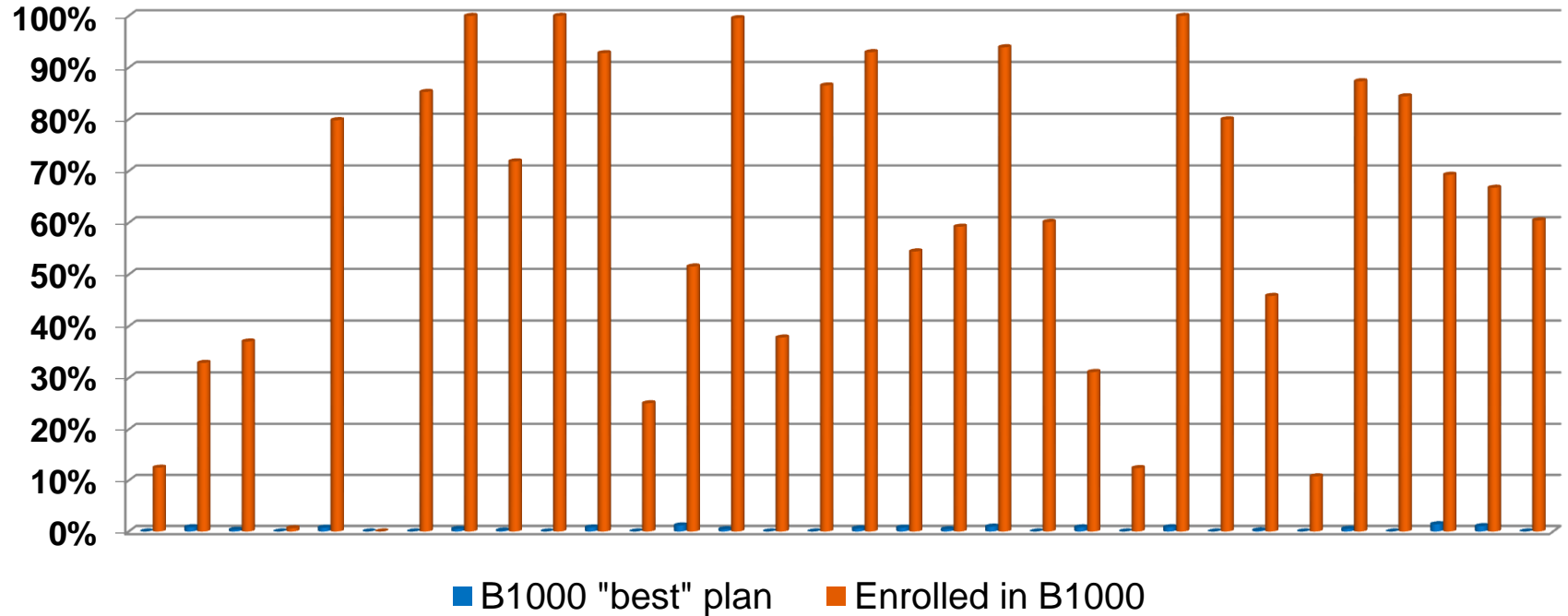
Most traditional HealthFlex participants could save money with a plan that is not currently available to them



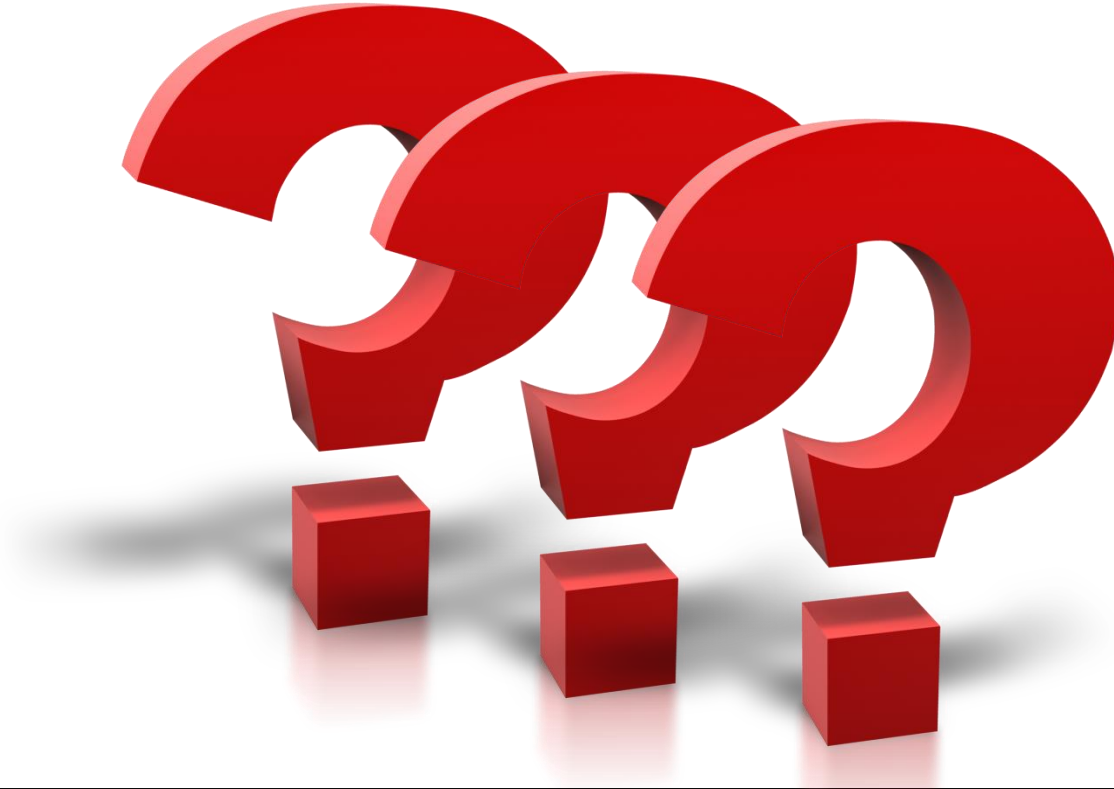
Mentimeter Questions



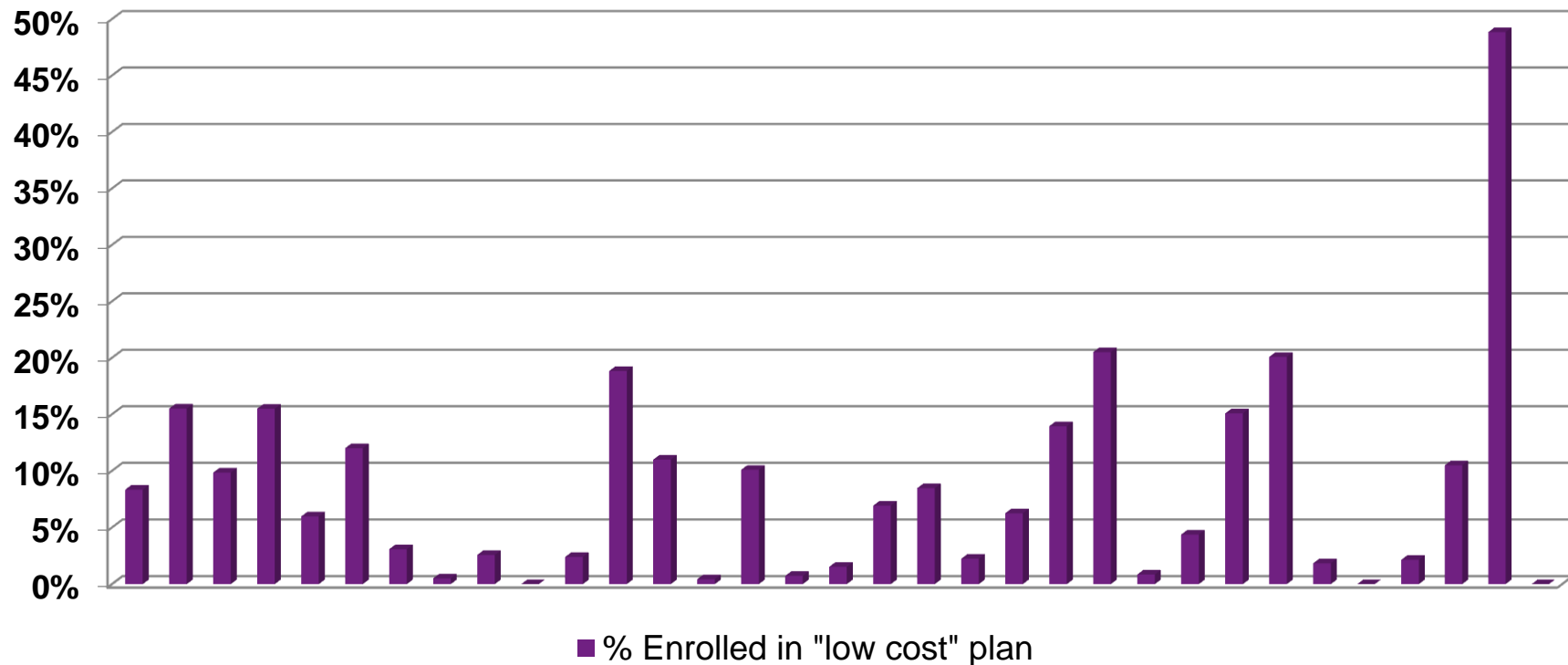
Analysis of B1000 Enrollment by Plan Sponsor



Mentimeter Questions



How Logical Is Plan Choice?



Next Steps and the Future

- Re-run analysis with 2017 and 2019 utilization data
- How does premium credit impact these results?
- Use analysis to test future plan designs
- Helping individuals make the right choice
- Identify specific circumstances that make plans “best”





Wespath

BENEFITS | INVESTMENTS

Appendix—Average Projected OOP Cost by Plan

Allowed Claims	# of Participants	Average Allowed Cost	Average Projected OOP Cost by Plan					
			B1000	C2000 with HRA	C3000 with HRA	H1500 with HSA	H2000 with HSA	H3000
Less than \$1,000	1,541	\$421	\$268	\$398	\$399	\$421	\$421	\$421
\$1,000 - \$3,000	1,531	\$1,882	\$1,141	\$1,680	\$1,743	\$1,678	\$1,812	\$1,882
\$3,000 - \$5,000	958	\$3,938	\$1,916	\$2,813	\$3,395	\$2,626	\$3,222	\$3,800
\$5,000 - \$10,000	1,443	\$7,269	\$2,778	\$3,790	\$5,352	\$3,400	\$4,438	\$6,213
\$10,000 - \$50,000	2,741	\$22,810	\$5,177	\$6,384	\$8,523	\$5,948	\$7,408	\$8,773
Over \$50,000	902	\$130,986	\$7,025	\$8,493	\$9,646	\$8,250	\$9,204	\$9,647
Total Average OOP Expenses	9,116	\$21,771	\$3,130	\$4,005	\$5,081	\$3,772	\$4,555	\$5,362
Total Average Participant Contributions			\$4,091	\$3,231	\$762	\$2,803	\$1,466	(\$405)

- Average OOP cost difference of \$2,200 between B1000 and H3000
- Average annual contribution difference of \$4,500 between B1000 and H3000

Appendix—Lowest Cost Plan by Amount of Claims

Allowed Claims	# of Participants	Lowest Cost Plan (by # of Participants)					
		B1000	C2000 with HRA	C3000 with HRA	H1500 with HSA	H2000 with HSA	H3000
Less than \$1,000	1,541	0	0	5	0	0	1,536
\$1,000 - \$3,000	1,531	0	0	93	32	4	1,402
\$3,000 - \$5,000	958	3	6	96	244	144	465
\$5,000 - \$10,000	1,443	6	110	123	762	176	266
\$10,000 - \$50,000	2,741	21	102	31	1,364	186	1,037
Over \$50,000	902	5	54	16	69	49	709
Total	9,116	35	272	364	2,471	559	5,415

Appendix—Lowest Cost Plan by Amount of Claims

Allowed Claims	# of Participants	Lowest Cost Plan (by % of Participants)					
		B1000	C2000 with HRA	C3000 with HRA	H1500 with HSA	H2000 with HSA	H3000
Less than \$1,000	1,541	0%	0%	0%	0%	0%	100%
\$1,000 - \$3,000	1,531	0%	0%	6%	2%	0%	92%
\$3,000 - \$5,000	958	0%	1%	10%	25%	15%	49%
\$5,000 - \$10,000	1,443	0%	8%	9%	53%	12%	18%
\$10,000 - \$50,000	2,741	1%	4%	1%	50%	7%	38%
Over \$50,000	902	1%	6%	2%	8%	5%	79%
Total	9,116	0%	3%	4%	27%	6%	59%



Wespath

BENEFITS | INVESTMENTS