



Wespath
BENEFITS | INVESTMENTS

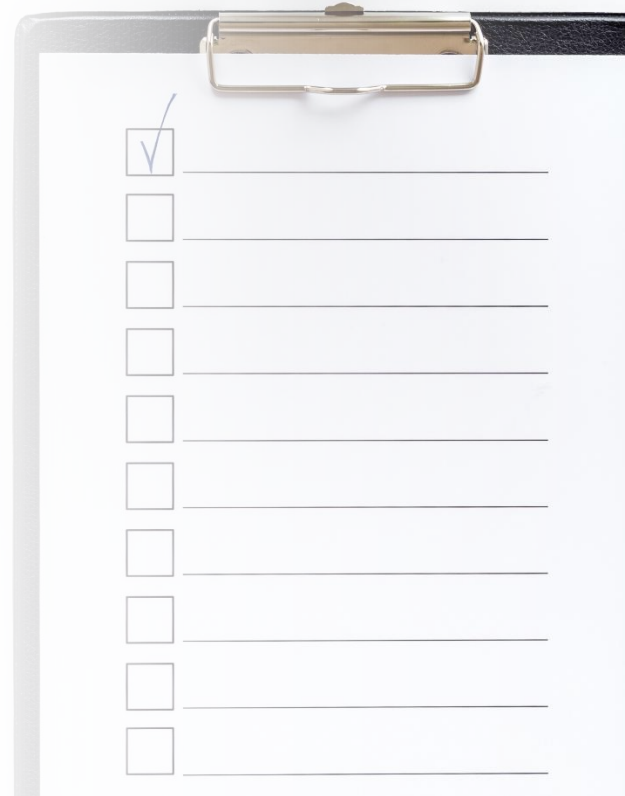
HealthFlex Plan Sponsor Update

February 28 | March 1, 2023



Agenda










- 2024 HealthFlex Rates
- 2024 High-Deductible (HSA) Plan Changes
- Well-Being Updates
- HealthFlex Summit in April





2024 HealthFlex Rates

Health Care Costs Are Rising

		Unit cost	Utilization
1	Higher overall inflation and increased labor costs		
2	Provider consolidation		
3	Escalating drug costs		
4	Worsening mental health		
5	Missed preventive and nonemergency care		
6	Aftermath of the pandemic (impact of long COVID and expiration of government subsidies)		



Source: Levin-Scherz, J., "[8 reasons why healthcare cost inflation is likely to escalate](#)," The Hill, April 2, 2022.

High-Cost Claimants Are Increasing in Frequency

- WTW partners with top health care stop loss vendors—here are a few areas of concern from the stop loss market:
 - **Carrier environment**
 - **High-cost claimants frequency¹**
 - **High-cost conditions²**
 - **Carrier loss ratios**

¹2021 Aegis Risk Medical Stop Loss Premium Survey.

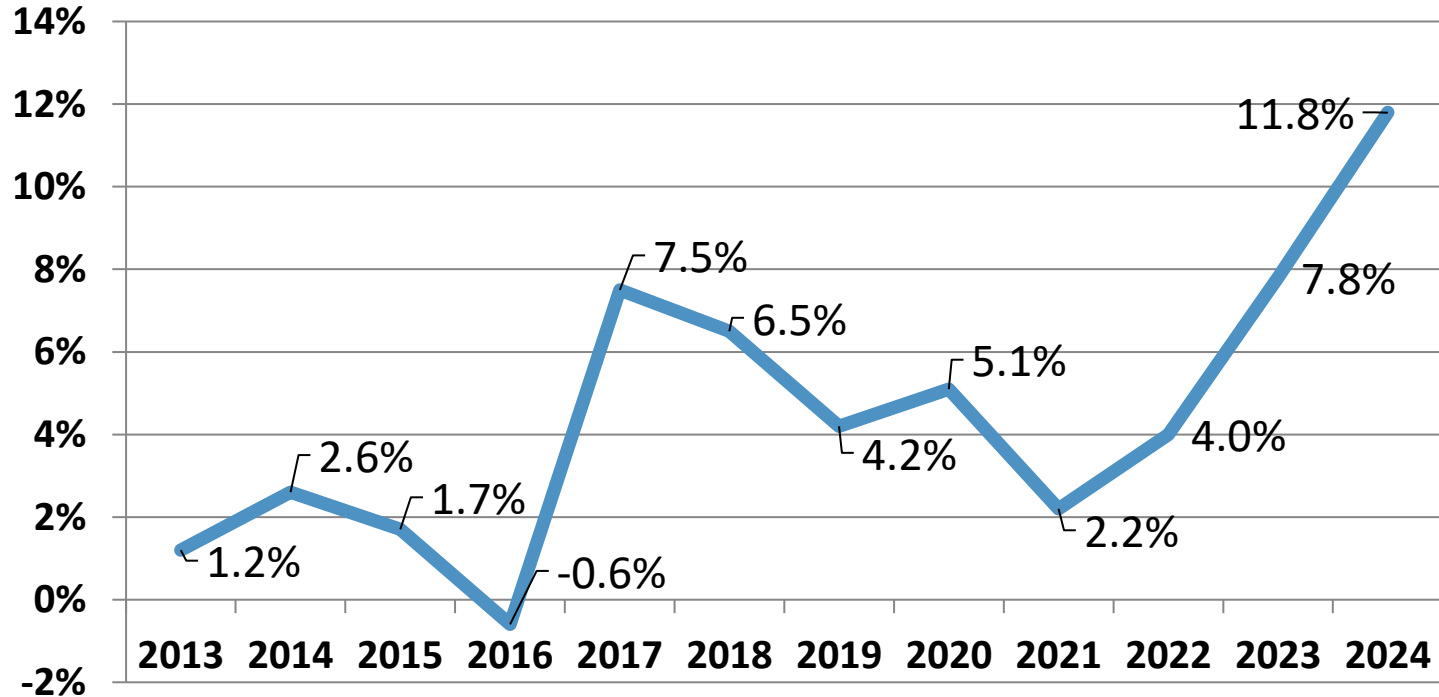
²2022 Sun Life Stop-Loss & Health Research Report.



HealthFlex Premium Changes: 2013–Present

HealthFlex premium increases have been below industry average (5%) for most of the last decade

HealthFlex 5-year annualized rate change: 6% (2019-2024)



Q4 Financials and 2024 Rates Received

	Jan 23	Feb 23	Mar 23	Apr 23	May 23	Jun 23	Jul 23	Aug 23	Sep 23	Oct 23	Nov 23	Dec 23	Current YTD	Plan YTD
PPA														
Group Participants	2,453	2,393	2,384	2,383	2,384	2,384	2,384	2,384	2,384	2,384	2,384	2,384	2,384	2,384
Part Medical Claims	\$1,569,700	\$1,451,380	\$1,469,330	\$1,464,440	\$1,464,440	\$1,464,440	\$1,464,440	\$1,464,440	\$1,464,440	\$1,464,440	\$1,464,440	\$1,464,440	\$1,464,440	\$1,464,440
Part Dental Claims	\$1,672,210	\$1,524,210	\$1,524,210	\$1,524,210	\$1,524,210	\$1,524,210	\$1,524,210	\$1,524,210	\$1,524,210	\$1,524,210	\$1,524,210	\$1,524,210	\$1,524,210	\$1,524,210
Part Vision Claims	\$162,510	\$162,510	\$162,510	\$162,510	\$162,510	\$162,510	\$162,510	\$162,510	\$162,510	\$162,510	\$162,510	\$162,510	\$162,510	\$162,510
PPA Total	\$3,404,420	\$3,138,100	\$3,156,050	\$3,150,860	\$3,150,860	\$3,150,860	\$3,150,860	\$3,150,860	\$3,150,860	\$3,150,860	\$3,150,860	\$3,150,860	\$3,150,860	\$3,150,860
PPA Plan														
Group Participants	2,453	2,393	2,384	2,383	2,384	2,384	2,384	2,384	2,384	2,384	2,384	2,384	2,384	2,384
Part Medical Claims	\$1,569,700	\$1,451,380	\$1,469,330	\$1,464,440	\$1,464,440	\$1,464,440	\$1,464,440	\$1,464,440	\$1,464,440	\$1,464,440	\$1,464,440	\$1,464,440	\$1,464,440	\$1,464,440
Part Dental Claims	\$1,672,210	\$1,524,210	\$1,524,210	\$1,524,210	\$1,524,210	\$1,524,210	\$1,524,210	\$1,524,210	\$1,524,210	\$1,524,210	\$1,524,210	\$1,524,210	\$1,524,210	\$1,524,210
Part Vision Claims	\$162,510	\$162,510	\$162,510	\$162,510	\$162,510	\$162,510	\$162,510	\$162,510	\$162,510	\$162,510	\$162,510	\$162,510	\$162,510	\$162,510
PPA Plan Total	\$3,404,420	\$3,138,100	\$3,156,050	\$3,150,860	\$3,150,860	\$3,150,860	\$3,150,860	\$3,150,860	\$3,150,860	\$3,150,860	\$3,150,860	\$3,150,860	\$3,150,860	\$3,150,860



HealthFlex 2024 Rate Sheet

2024 Annual Cost Projections (Note: Actual costs will vary based on actual 2024 enrollment as well as enrollment changes throughout the year)

Benefit Type	Current Enrollment	2024 Annual Average	2023 Increase from 2023
Medical	#VALUE!	#VALUE!	\$0 0%
Dental	#VALUE!	#VALUE!	\$0 0%
Vision	#VALUE!	#VALUE!	\$0 0%
Total	#VALUE!	#VALUE!	\$0 0%

Medical Plan Rates

Plan	Tier	Projected Enrollment	2023 Rate	2024 Rate	Increase
B1000	Participant	#VALUE!	#VALUE!	#VALUE!	0.0%
B1000	Participant#1	#VALUE!	#VALUE!	#VALUE!	0.0%
B1000	Family	#VALUE!	#VALUE!	#VALUE!	0.0%
B1000 Total		#VALUE!	#VALUE!	#VALUE!	0.0%
C2000 with HSA	Participant	#VALUE!	#VALUE!	#VALUE!	0.0%
C2000 with HSA	Participant#1	#VALUE!	#VALUE!	#VALUE!	0.0%
C2000 with HSA	Family	#VALUE!	#VALUE!	#VALUE!	0.0%
C2000 with HSA Total		#VALUE!	#VALUE!	#VALUE!	0.0%
C3000 with HSA	Participant	#VALUE!	#VALUE!	#VALUE!	0.0%
C3000 with HSA	Participant#1	#VALUE!	#VALUE!	#VALUE!	0.0%
C3000 with HSA	Family	#VALUE!	#VALUE!	#VALUE!	0.0%
C3000 with HSA Total		#VALUE!	#VALUE!	#VALUE!	0.0%
New H2000 with HSA	Participant	#VALUE!	#VALUE!	#VALUE!	0.0%
New H2000 with HSA	Participant#1	#VALUE!	#VALUE!	#VALUE!	0.0%
New H2000 with HSA	Family	#VALUE!	#VALUE!	#VALUE!	0.0%
New H2000 with HSA Total		#VALUE!	#VALUE!	#VALUE!	0.0%
H500 with HSA	Participant	#VALUE!	#VALUE!	#VALUE!	0.0%
H500 with HSA	Participant#1	#VALUE!	#VALUE!	#VALUE!	0.0%
H500 with HSA	Family	#VALUE!	#VALUE!	#VALUE!	0.0%
H500 with HSA Total		#VALUE!	#VALUE!	#VALUE!	0.0%
H5000 Total		#VALUE!	#VALUE!	#VALUE!	0.0%

Dental Plan Rates

Plan	Tier	Projected Enrollment	2023 Rate	2024 Rate	Increase
Passive PPO 2000	Participant	#VALUE!	#VALUE!	#VALUE!	0.0%
Passive PPO 2000	Participant#1	#VALUE!	#VALUE!	#VALUE!	0.0%
Passive PPO 2000	Family	#VALUE!	#VALUE!	#VALUE!	0.0%
Passive PPO 2000 Total		#VALUE!	#VALUE!	#VALUE!	0.0%
Dental PPO	Participant	#VALUE!	#VALUE!	#VALUE!	0.0%
Dental PPO	Participant#1	#VALUE!	#VALUE!	#VALUE!	0.0%
Dental PPO	Family	#VALUE!	#VALUE!	#VALUE!	0.0%
Dental PPO Total		#VALUE!	#VALUE!	#VALUE!	0.0%
Dental HMO	Participant	#VALUE!	#VALUE!	#VALUE!	0.0%
Dental HMO	Participant#1	#VALUE!	#VALUE!	#VALUE!	0.0%
Dental HMO	Family	#VALUE!	#VALUE!	#VALUE!	0.0%
Dental HMO Total		#VALUE!	#VALUE!	#VALUE!	0.0%

Vision Buy-Up Plan Rates

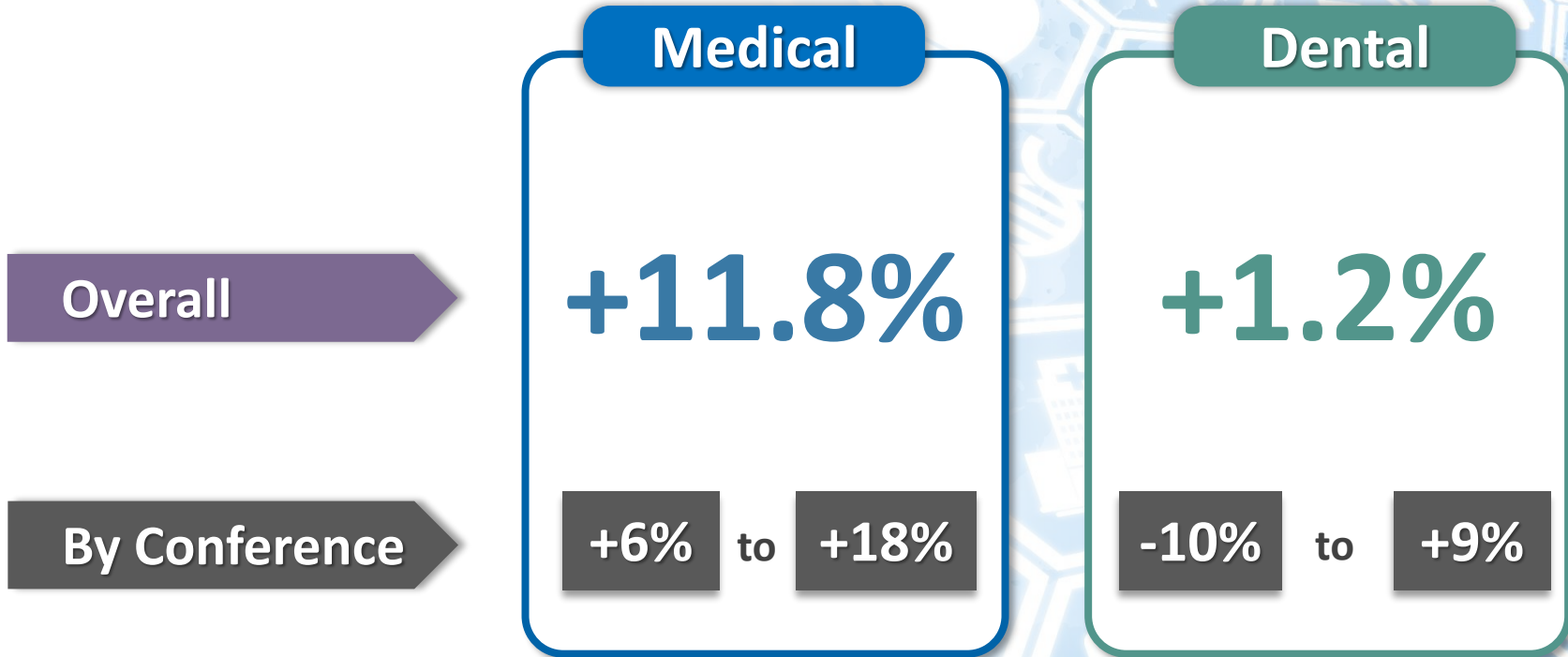
Plan	Tier	Proj Enroll	2023 Rate	2024 Rate	% Inc
Full Service	Participant	#VALUE!	#VALUE!	#VALUE!	0.0%
Full Service	Participant#1	#VALUE!	#VALUE!	#VALUE!	0.0%
Full Service	Family	#VALUE!	#VALUE!	#VALUE!	0.0%
Full Service Total		#VALUE!	#VALUE!	#VALUE!	0.0%
Premier	Participant	#VALUE!	#VALUE!	#VALUE!	0.0%
Premier	Participant#1	#VALUE!	#VALUE!	#VALUE!	0.0%
Premier	Family	#VALUE!	#VALUE!	#VALUE!	0.0%
Premier Total		#VALUE!	#VALUE!	#VALUE!	0.0%
Grand Total		#VALUE!	#VALUE!	#VALUE!	0.0%



Q4 Claims Report

2024 Rates Sheet

2024 HealthFlex Premium Increases



2024 HealthFlex Premium Increases

$$11.8\% = 6.7\% + 5.9\% + 0.6\% - 1.4\%$$

Contributors to 11.8% average rate increase:

- Expected trend in claims (5.2% normal trend + 1.5% expected trend increase)
- **Unexpectedly higher claims in 2021-2022 (5.9%)**
- Expected migration into more expensive plans (0.6%)
- Net impact of Concierge implementation in 2024 (-1.4%)

Next Steps

- More details and discussion at **HealthFlex Summit: Friday April 14**
- Improving efficiency through implementation of **concierge program** (1/1/2024)
- Availability for **individual plan sponsor support**, including:
 - Premium credit modeling
 - Preparation for conversations with board and leadership



Concierge Objectives

**Better member
experience**

**Cost efficiency
and sustainability**



Financial Considerations

- Expect improved efficiency and reduction in claims to more than offset cost
- Peer group has reported positive return on investment (ROI)
- Vendor guarantees a 2:1 ROI, modeling shows potential up to 4:1





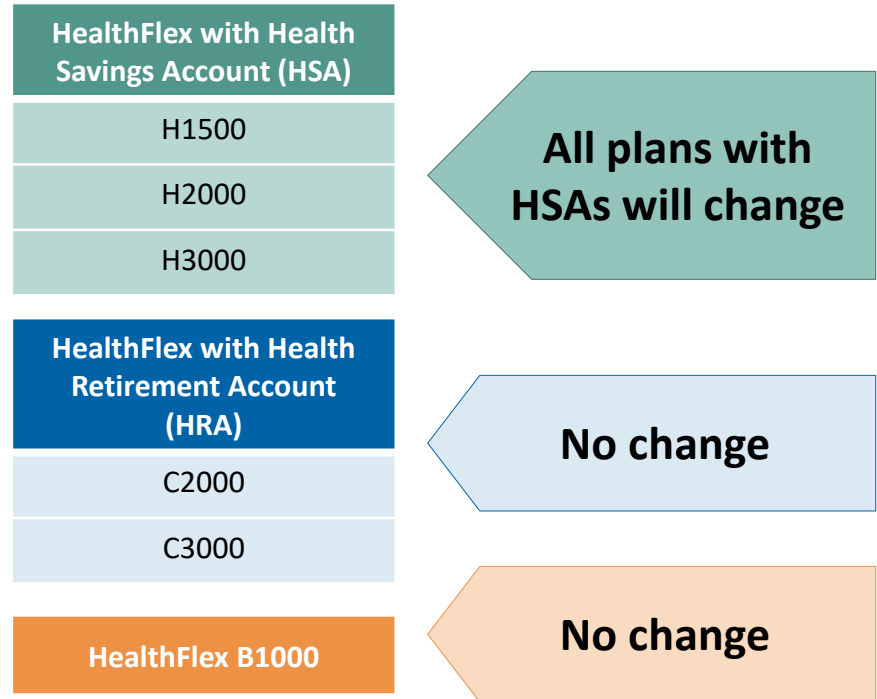
2024 High-Deductible Plan Changes

2024 Plan Design Changes

Why Now?

- Minimum deductible for HSA plans is \$1,500/\$3,000 in 2023
- We expect IRS to increase the 2024 minimum deductible
- By proactively changing plans now, we hope not to have to make annual changes
- **Unrelated to the 2024 rate increases discussed**

Which 2023 Plans Are Impacted?



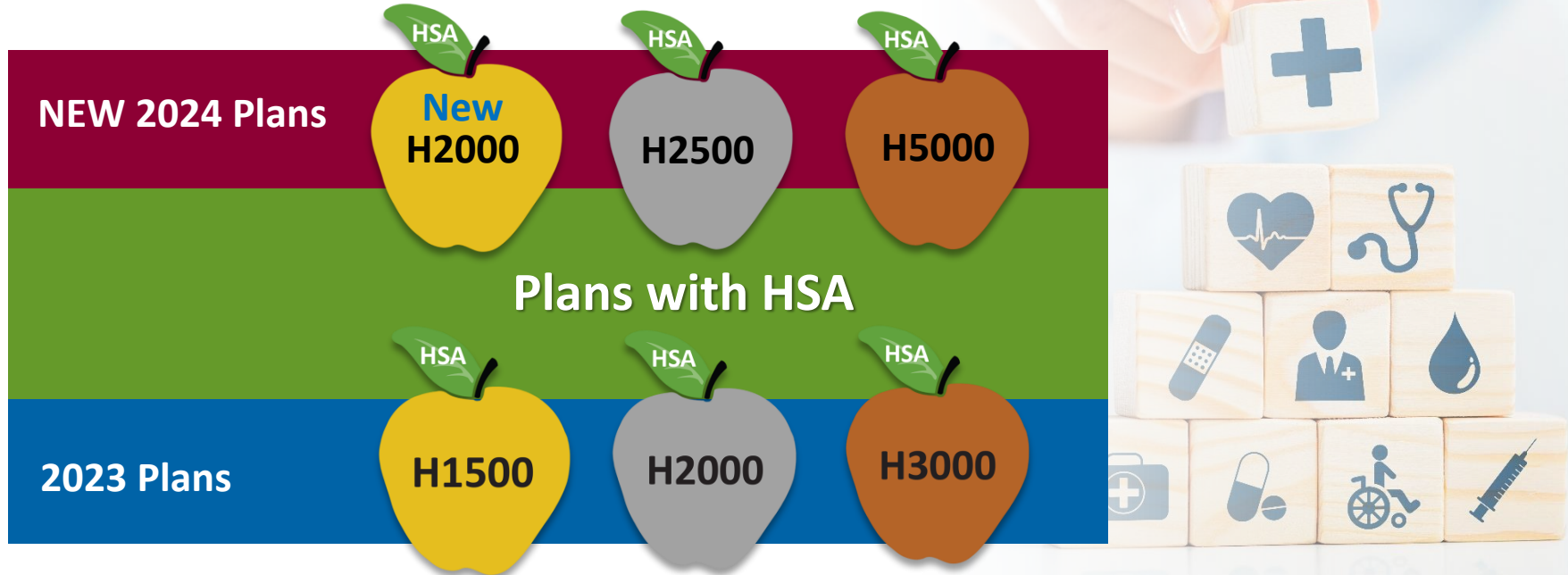
New Plans Listed on 2024 Rate Sheets

Plan
B1000
B1000
B1000
B1000 Total
C2000 with HRA
C2000 with HRA
C2000 with HRA
C2000 with HRA Total
C3000 with HRA
C3000 with HRA
C3000 with HRA
C3000 with HRA Total
New H2000 with HSA
New H2000 with HSA
New H2000 with HSA
New H2000 with HSA Total
H2500 with HSA
H2500 with HSA
H2500 with HSA
H2500 with HSA Total
H5000 with HSA
H5000 with HSA
H5000 with HSA
H5000 Total
Grand Total



2024 Plan Changes

We have designed the new HealthFlex HSA plans to align with the needs of participants on the current plans:



2023 to 2024 Medical Rx Plan Design Comparison

- Out of pocket maximum for 2024 plans is the **same** across all plans at \$5,000/\$10,000
- All plans retain the same network of providers and same Rx formulary



2023 to 2024 Medical Rx Plan Design Comparison

- “New” H2000 will be the new gold-level plan
 - Best for:
 - Anyone on current H1500 plan who wants the closest equivalent
 - Anyone ready to try an HSA plan but nervous about a higher deductible
 - More **account funding included with the plan** vs. old H2000 and H1500
 - \$1,000/\$2,000 (currently \$750/\$1,500 in H1500)
 - Increase in **deductible** vs. H1500; same as old H2000
 - \$2,000/\$4,000 (currently \$1,500/\$3,000 in H1500)
 - Same **coinsurance** (80%/20%) and out-of-pocket maximum (\$5,000/\$10,000) vs. H1500 (plan pays more than old H2000)

2023 to 2024 Medical Rx Plan Design Comparison

- H2500 will be new mid-level plan
 - Best for:
 - Anyone on old H2000 plan who wants the closest equivalent
 - More experienced HSA plan user with more HSA savings
 - Decrease in **account funding from employer** vs. old H2000
 - \$250/\$500 (currently \$500/\$1,000 in H2000)
 - Increase in **deductible** vs. old H2000
 - \$2,500/\$5,000 (currently \$2,000/\$4,000 in H2000)
 - Same **coinsurance** (70%/30%) and out-of-pocket maximum (\$5,000/\$10,000) as old H2000

2023 to 2024 Medical Rx Plan Design Comparison

- H5000 is new high-deductible, low-premium plan
 - Best for:
 - Individuals/families with no major expected health care costs OR individuals who expect to meet the out-of-pocket maximum
 - People willing to maximize their HSA contributions
 - Anyone looking for low-premium plan **and** the ability to save for unexpected health care expenses
 - Anyone on the old H3000 plan who wants the closest equivalent

2023 to 2024 Medical Rx Plan Design Comparison

- H5000 is new high-deductible, low-premium plan
 - Increase in **deductible**
 - \$5,000/\$10,000 (currently \$3,000/\$6,000 in H3000)
 - Decrease in **out-of-pocket maximum**
 - \$5,000/\$10,000 (currently \$6,000/\$12,000 in H3000)
 - Once you've hit your deductible (\$5,000/\$10,000), **the plan pays 100% of costs, including pharmacy**

H5000: New “deductible only” plan

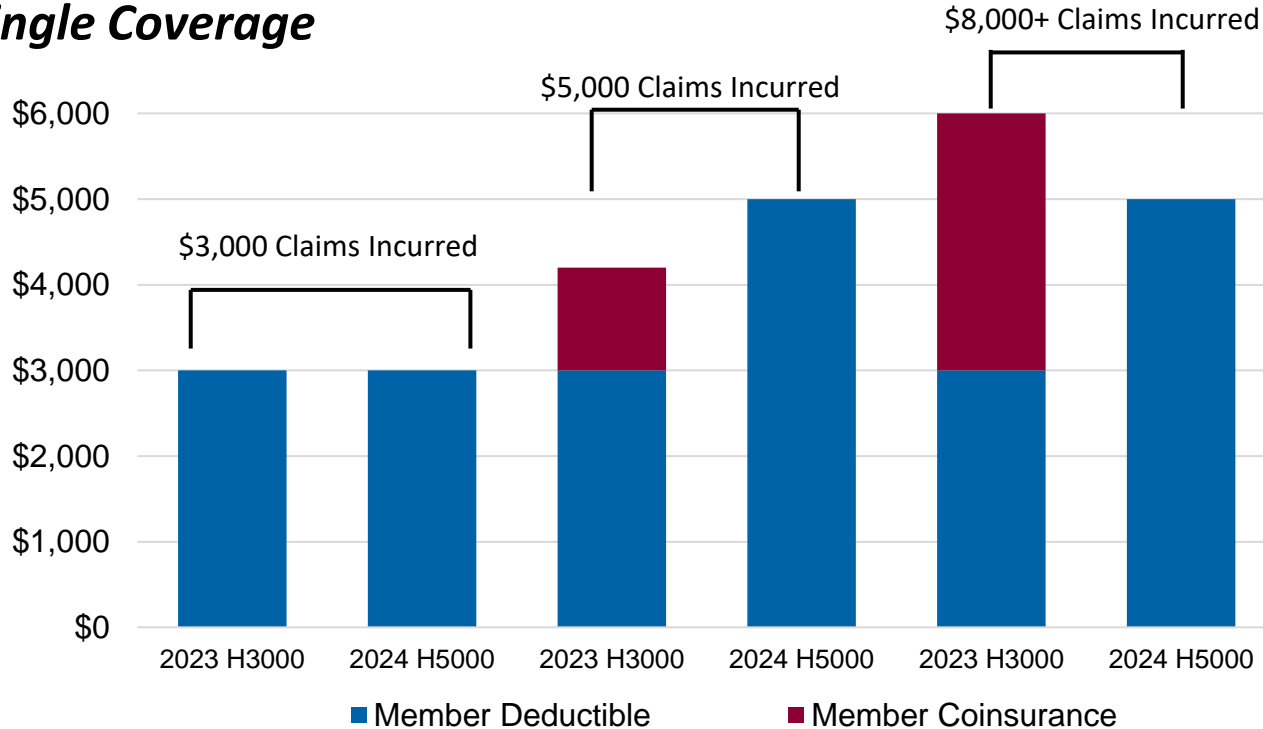
H3000 vs. H5000: Which Plan is “Better”?

- For members with low claim amounts (below the deductible), **costs under both plans are the same**
- For members with claims between \$3,000 and \$6,333, **H3000 is the more generous plan**
- For members with more than \$6,333 claims, **H5000 is the more generous plan**

<20% of the population will be “worse off” with the H5000

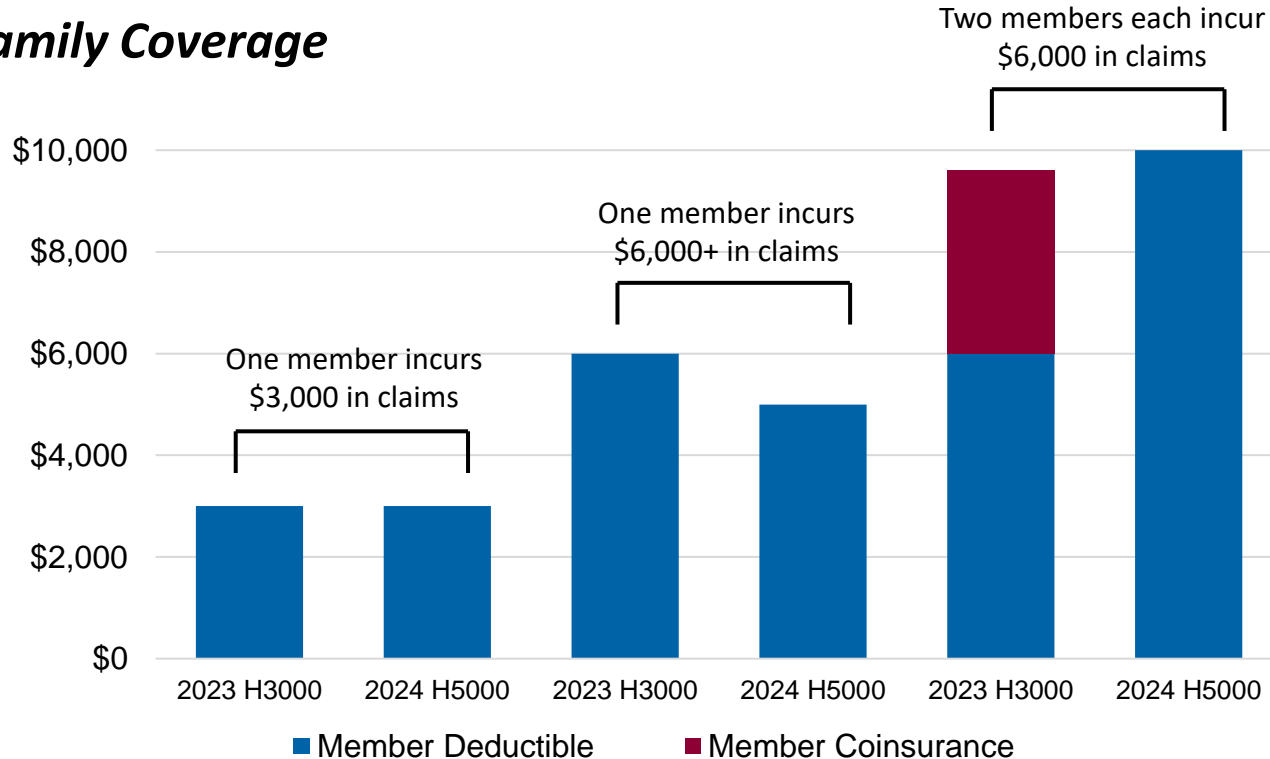
H3000 vs. H5000: Which Plan Is “Better”?

Single Coverage



H3000 vs. H5000: Which Plan Is “Better”?

Family Coverage



Participant Communication Feedback

We invite your feedback on how to communicate 2024 plan changes to participants.

- What concerns or questions do you anticipate?

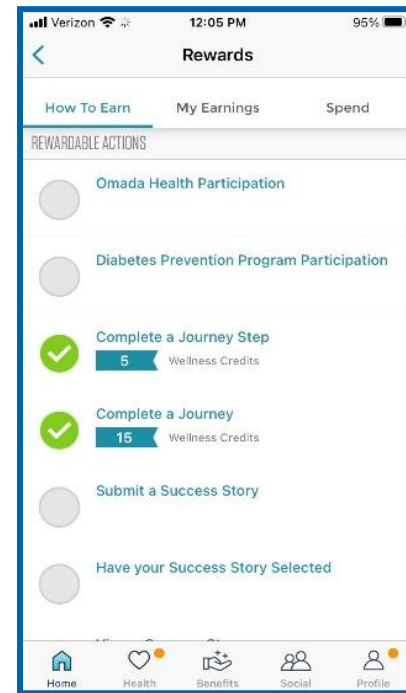




Well-Being Updates

Wellness Credits 2023

- New collateral coming soon!
 - Goal: Increase 150 Wellness Credit earners
 - 32% earned 150 Wellness Credits for \$150 in 2022
- Recent and upcoming communications
 - Wespath e-mail sent on February 16 and February 23
 - Scheduled Virgin Pulse e-mail on March 2
 - Postcard scheduled to drop in the mail on March 9
 - Continued communications throughout 2023



Mark Your Calendars!

- Upcoming Blueprint for Wellness training calls
 - Thursday, March 2—10am to 11am CST
 - Wednesday, April 5—1pm to 2pm CST
- Blueprint for Wellness Onsite Events
 - Please complete the survey by Friday, March 10
 - Consider smaller micro-events (min. 25 registered)
 - 10–12 weeks lead time to plan



Custom Well-Being Webinars

- Schedule a Well-Being Webinar for your participants
 - There is something to engage and excite everyone—no matter their well-being goals!
 - Wespath will handle the logistics (Go To Webinar plus session recording)
 - 1 hour in length
 - E-mail Todd (tcreviston@wespath.org) for questions or to ***schedule your webinar***





HealthFlex Mini Summit—April 14

Registration information will be available soon.



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