HealthFlex Refresher

- Self-insured
- Financially sound
- Substantial in size
- Large group drug purchasing
- Pooling of risk/medium and large claims
- Management of multiple vendors
HealthFlex Strategic Direction

• Align with Affordable Care Act (ACA)
• Continued migration toward “consumer” plans
  – Overall *plan value* below “Cadillac plan” threshold
  – Greater individual accountability
  – Greater cost sustainability for plan sponsors
  – Greater flexibility by maximizing participant choice
• Research private exchange-like options
Defining “Private Exchange”

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
Priorities Identified by UMC Groups

- 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
- Defined Contribution (DC) vs. Traditional Benefits Administration
- One Carrier vs. Multiple Carriers
  - Network robustness, regional competition
- Level of Decision Support
- Number of Plan Options
“Private Exchange” Continuum

**Blue Directions**
- Self-insured
- One or two carriers
- Maintain UMC “risk”
- Robust networks
- HealthFlex plans and wellness programs
- Reporting at local church level

**OneExchange**
- Self-insured
- Maintain UMC “risk”
- Carriers “compete” but not with their own money
- Local footprint allows some “winners” and “losers”
- Some flexibility on plan design

**RightOpt**
- Fully-insured (additional costs/fees)
- True competition in each market
- Limited plan and wellness selection
- Narrower, regional networks
- Limited reporting at local church level
“HealthFlex Exchange” Offering

• Remain self-insured, offering a fully-insured product to plan sponsors

• Expanded “exchange-like” platform for participant plan selection
  – Four to six choices

• Choice of medical carrier: BCBSIL or UHC

• Includes pharmacy, vision, behavioral health, and HealthFlex wellness program
  – Dental optional
HealthFlex Exchange Offering

• Extensive decision support
  – Plan sponsor defined contribution modeling
  – Participant plan choice support (online, phone)

• Defined contribution ("credit" toward purchase)
  – Option for additional wellness "credit"
  – Additional premium paid by participant
  – Leftover credit funds HRA/HSA*

* HRA: Health reimbursement account
  HSA: Health savings account
HealthFlex Exchange Vendors

Health Plan Vendors
- Blue Cross and Blue Shield of Illinois
- UnitedHealthcare
- Catamaran Rx
- United Behavioral Health (UBH)
- CIGNA Dental
- Vision Service Plan (VSP)
- Businessolver
- WageWorks
- OneExchange

Wellness Vendors
- WebMD
- Quest Diagnostics
- VirginPulse
- Evive Health
- Weight Watchers
- United Behavioral Health (UBH)

Mercer Human Resources Consulting
# HealthFlex Exchange Plan Offerings

<table>
<thead>
<tr>
<th>Actuarial Equivalence</th>
<th>2016*</th>
<th>2017*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gold (~80%)</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| B1000                 | $1,000/$2,000 deductible  
  • 80% coinsurance     |       |
| C2000                 | $1,000/$2,000 HRA funding  
  • $1,000/$2,000 deductible/80% coinsurance | C2000 |
| HDHP (H1500)          | $750/$1,500 HSA funding  
  • $1,500/$3,000 deductible/80% coinsurance | H1500 |
| **Silver (~70%)**     |       |       |
| C3000                 | $250/$500 HRA funding  
  • $3,000/$6,000 deductible/50% coinsurance | C3000 |
| HDHP (H2000)          | $500/$1,000 HRA funding  
  • $2,000/$4,000 deductible//70% coinsurance | H2000 |
| **Bronze (60%)**      |       | HDHP (H3000)?  
  • $3,000/$6,000 deductible/50% coinsurance |

* Plans for 2016 and beyond are considered tentative at this time.
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

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

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)

Family Health Status

DESCRIBE YOUR OVERALL HEALTH...

Johnny | Jane | Son | Daughter
--- | --- | --- | ---
Below Average | Average | Above Average | Average
### Participant Decision Support

#### Best Match and Alternative Choices

<table>
<thead>
<tr>
<th>Plan Type</th>
<th>Cost Range</th>
<th>Estimated Costs</th>
<th>Maximum Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Best MyChoice Match</td>
<td>$5400 - $7500</td>
<td>$6500 - $7500</td>
<td>$7500</td>
</tr>
<tr>
<td>Medical HDHP</td>
<td>$3000 - $12,000</td>
<td>$5000 - $12,000</td>
<td>$12,000</td>
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<tr>
<td>Medical HMO</td>
<td>$4000 - $7500</td>
<td>$5750 - $7500</td>
<td>$7500</td>
</tr>
</tbody>
</table>

*View Plan Pricing*
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
Plan Sponsor Decision Support

DC 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
Multiple Plan Options:

- Gold
- Bronze

Participant chooses plan

Participant pays church

Church pays conference

Conference pays 100% billed

HealthFlex
## HealthFlex Exchange: Timing

<table>
<thead>
<tr>
<th>Year</th>
<th>Description</th>
</tr>
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<tbody>
<tr>
<td>2016</td>
<td>Only available to current HealthFlex sponsors</td>
</tr>
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</table>
| 2017 | First opportunity for those not currently in HealthFlex  
      • May limit total number of new sponsors in one year |
| 2018+ | Ongoing opportunity for adoption |
HealthFlex Exchange: Long-Term View

- Maintain current value of HealthFlex
- Addition of DC and participant choice
  - Participant and plan sponsor decision support
- Possible migration along private exchange continuum as market matures
Center for Health