MANAGING BENEFIT PLANS IN A DOWN ECONOMY

“BACKGROUND”

- Employer Concerns:
  - Financial performance
  - Productivity
  - Retention
    - Who’s still here and how do they feel
  - Key Management
  - “Who will help us get thru this?” (the economy)

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“Background”

- Employee Concerns
  - Keep “take home” pay at least flat year over year
  - My job “I’m over-leveraged”
  - My family’s well-being
  - “who can help me get thru this?” (the economy)

- Survey your employees every 3 - 6 months
MANAGING BENEFIT PLANS IN A DOWN ECONOMY

“No Silver Bullet”

- No single solution
- Can’t “legislate” a solution
- Be prepared to do a lot of little things to have a “bigger impact”, (more on coming slides)
- Providers, employers and people must do it differently

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“The Tipping Point”

Bad Behavior → A Drug for every issue → No PCP → Utilization & Costs Rise → The Cliff!

How big is your Parachute???
**MANAGING BENEFIT PLANS IN A DOWN ECONOMY**

"Building Our Parachute"

- **Health Plan Operations:**
  - Plans that reward High Quality Providers
    - Incentives
    - Medical and Dental Providers
    - Steerage
  - Access to care is still a concern

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**MANAGING BENEFIT PLANS IN A DOWN ECONOMY**

- Plans that award better behavior on employee’s Part

**REWARD:**
- Weight Loss
- Smoking Cessation
- Exercise
- Better Nutrition

**EXPECTATIONS:**
- Disease Management Compliance
- Medication Compliance
MANAGING BENEFIT PLANS
IN A DOWN ECONOMY

- Plans that manage/reduce the effects of excess risk on company financials
  - Stop Loss coverage
  - In vs Out of Network
  - Plan limits
  - Fit plan design to employee turnover
  - Rx Coalition

- Plans that are data driven and have fresh data available (30 days old is too old)

**Key Data Elements:**

<table>
<thead>
<tr>
<th>Measure</th>
<th>Strive to reduce</th>
</tr>
</thead>
<tbody>
<tr>
<td>PCP’s Utilization</td>
<td>Outpatient testing</td>
</tr>
<tr>
<td>Preventive benefit</td>
<td>Inpatient days</td>
</tr>
</tbody>
</table>

**Utilization Increase:**

- Medication compliance
- DM Support and Coaching
- 24/7 access to RN
- Put it on the web
MANAGING BENEFIT PLANS IN A DOWN ECONOMY

- Build “partnerships” with the right advisors; (honest help, not “yes man”); Pull in the “experts”, plan design, clinic operations, Rx management

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- Promoting “Shared Responsibility”:
  - Premiums (tell’em real costs)
  - Pharmacy (lifestyle changes not covered and generic drugs work)
  - Allocate more $ for preventive care
  - HSA’s/HRA’s reinforce
MANAGING BENEFIT PLANS IN A DOWN ECONOMY

- Promoting “Shared Responsibility”:
  - High Quality/ High Performance Networks
  - Communicate, Communicate, Communicate
    - Provider communication
    - Management
    - Employees

- “Promoting “Shared Responsibility” Continued:
  - Larger employers
    - Access to PCP
    - Onsite clinics
MANAGING BENEFIT PLANS IN A DOWN ECONOMY

- Other Core Benefits (Dental, Vision, Life)
  - Self-fund or not
  - Move risk off balance sheet

MANAGING BENEFIT PLANS IN A DOWN ECONOMY

- “Be prepared when things turn”:
  - What if economy turns
  - What do we restore
  - Where do we spend
    - core benefits
    - ancillary benefits