

# Pre-Open Enrollment Benefit Information Sessions

October 2016

## Meeting purpose

- Provide a basic education to our employees about our benefits
- Gain feedback, via a survey at the end of the session, about benefit needs and preferences
- Discuss options and process for evaluation in 2017

## Agenda

- Introduction & current state
- Determining costs and contracts
- Progressive HR practices and benefits administration
- Our goals
- Our process

## Our approach

- Introduction and motivation
- Being transparent in an attempt to build trust and understand where we stand with our benefits
- Group and team approach – We need to do this together
- Quality health care at reasonable costs
- We can't make everyone happy, but will focus on as many people as we can
- Budget realities

## State of the marketplace

- #1 complaint I heard from employees
- Annual health insurance increase average is 13%
- Most people don't experience catastrophic events
- Significant move to consumer-driven model
- Design systems that don't result in the Cadillac tax
- 81% of employers are now offering high-deductible plans and HSAs

## Progressive HR practices and benefits administration

- Total compensation package
- High deductibles – Once the deductible is met, 100% is covered only on HSAs
- Organizations our size
- HRAs and HSAs
- Ability to have some control over annual premium increases through plan design
- Consumerism
- Not as much personal touch with practitioners

## Benefit goals and considerations

- Create solutions that serve the greatest number of people
- Quality healthcare
- Physician utilization and avoiding disruptions
- A solution that makes our benefits plan competitive
- Move to a consumer-driven model

## Definitions

- Premium – Amount paid towards an insurance policy
- In network and out of network
- Out of pocket
- Consumerism
- Deductible – Specified amount of money the insured pays before an insurance company pays a claim



## My Observations

- We spend considerably more at Gustavus than at other organizations with considerably more employees
- I don't know any other organization with a HRA
- We need to have a more robust benefits package
- We need to work on the plan design to promote options our employees need
- The need for all of us to work together to find good solutions

## What impacts costs?

- Almost entirely based on claims history
- Claims outweigh the premiums
- Love (spouses)
- Metabolic syndrome – Risk factor assessment
  - Stroke, diabetes, heart attack, cancer
- Delaying your physician visits, until it's too late
- Plan design
  - HSAs are lower premiums but higher deductible
  - Lower deductible equals higher premiums

## How can you help lower your individual expenses and the group expenses?

- This is a team effort
- Preventative exams are FREE!
- Cost comparison
- Moving to a HSA/High-Deductible
- Use doctors in the network
- Use urgent care, trip to our health office, or nurse line
- Consider moving spouses to their employer's plan
- Ask your physician how much things cost before treatment

## Tools

- Mayo Clinic Heart Disease Risk Calculator
- [www.heart.org](http://www.heart.org) – Understanding risks to prevent a heart attack
- [www.strokeassociation.org](http://www.strokeassociation.org) – Understanding stroke risk
- [www.cancer.org](http://www.cancer.org) – Lifetime risk of developing cancer
- [www.diabetes.org](http://www.diabetes.org) – Type 2 diabetes risk test
- Blue Distinction Center – Best care and price options
- Find a Doctor Tool – Cost and quality information
- Add up your healthcare expenses for the last 3 years to find the right solution for you

## What is consumerism?

- Choices that promote health/preventative medicine and risk reduction
- Shopping for better rates
- Healthcare savings accounts
- Allows consumers to prioritize their choices based on their individual needs
- Employees have a vested interest in their healthcare, therefore they are willing to devote more time to proper diagnosis and management of treatment

## Examples of consumerism

- Julie's MRI
- One treatment at a time to ensure proper diagnosis
- Using the health office for a throat culture vs. a physician visit
- Lower tax liability with a HSA
- Increases your take home pay if you choose a lower premium/high deductible plan

## How consumerism impacts physicians and insurance companies

- Physicians have more skin in the game
- Physicians are more likely to offer alternative suggestions
- Online tools created
- More nurse lines and alternatives to physician visits

## What happens if we don't embrace consumerism?

- At the mercy of the insurance companies
- Double-digit health care premium costs
- Unnecessary tests and procedures
- Often, people are actually paying more out of pocket than in a high deductible plan
- Cadillac tax



## What is a Healthcare Savings Account?

- High deductible plan
- Savings account used in conjunction with a policy that allows users to save money tax-free against medical expenses
- Portable – The money is yours forever until depleted
- \$3,350 single, \$6,750 family each year
- Catch up available of \$1,000 for those over 55
- Contribute out of your paycheck and build up a pool of funds
- <http://www.hsacenter.com/how-does-an-hsa-work/hsa-calculators/hsa-tax-savings-calculator/>
- May have a HSA and a FSA

## Who is a good candidate for a high deductible plan?

- Those who seek primarily preventative care and few medical services
- Those who want to apply premium savings into their HSA will accumulate a good sum of money to use in retirement or in the future
- Those who meet their deductible early in the year
- HSAs are inheritable

## Benefits Advisory Committee Members

- Tracey Peymann
- Sandy Sukalski
- Teri Bauman
- Aaron Banks
- Henry MacCarthy
- Kate Keller
- Jessica Braun
- Renae Stierlen
- Julie Kline

## Our process

- Hired a broker (No charge to Gustavus)
- Reignited the Benefits Advisory Committee
- Evaluating all benefits, insurance companies, plan design
- Education
- Negotiate, negotiate, negotiate
- Open-enrollment
- Continued evaluation
- Benefit evaluation across the region and nation

## Next Steps

- Come to HR with your questions **NOW**
  - Make an appointment with Renae, Barb Lundgren, or Julie
- Look at spouse/partner's plans
- Medical expense calculator
- Complete the survey so we know what is most important to you!

## Tell HR what we can do to promote good health and quality healthcare

- Education?
- Events we can do as a group?
- Health fairs?



Questions?