

This Issue

Getting Members Involved

Physicians are doing more to simplify a complex topic.

What's in the BCRA?

An update on Senate efforts to repeal or replace Obamacare.

Paid Sick Leave

Illinois joins other states trying to require paid sick leave.

An App for That

Mobile health and wellness apps just keep coming.

Keep Informed



Responding to Growing Demand for Transparency

Experts agree that a lack of true price transparency has contributed significantly to the inefficiency in healthcare. Several websites compare the costs for certain procedures at varying hospitals, but it's still very difficult, if not impossible, to make an informed choice when preparing for a non-emergency procedure. As a result, most people still go to doctors participating in a covered network and follow physician referrals when a specialist is required. In most cases, these choices are made without any knowledge of the cost.

Powerful Mobile Technology

Today, leading TPAs are providing self-funded health plan members with a variety of very powerful mobile transparency tools. One new mobile app enables members to identify fair pricing for more than 200 common procedures, including surgeries, imaging and diagnostic testing. By linking a rewards program, the app awards financial incentives when high quality, competitively priced providers are selected over those with lesser ratings.

Another software maker that describes a third of healthcare procedures as "shoppable", has introduced a mobile app that enables plan members to search for physicians by procedure, location and price. This tool even goes beyond

facts and figures to provide detailed descriptions of the procedure being searched. When members need further assistance, care navigators are available to provide online support via a live chat option.



Expert Administration Still Matters

While a totally open pricing system may never be possible in a business as complex as healthcare, TPAs are making self-funded health plans more transparent all the time. Strategies such as Reference Based Pricing and Concierge Health Advocacy are having a tremendous impact on cost and employee engagement. And while insurance carriers typically withhold claims data from fully insured groups, TPAs are experts at helping their clients put valuable claims data to work to identify cost drivers and manage chronic conditions in ways that help the plan avoid catastrophic claims in the future.

As the transition from volume to value-based healthcare continues, more responsibility will land in the hands of plan members. Smart employers know that a well-designed health plan can foster positive change and lower costs only if members understand their benefits. As long as self-funded plans, highly personal service and creative ideas are allowed to flourish, the number of engaged consumers capable of making economically wise healthcare decisions will continue to grow.

What's in the BCRA and Will It Matter?



After abandoning the American Health Care Act and postponing a vote on its replacement, the Better Care Reconciliation Act, the Senate has agreed to debate the bill and consider any amendments that emerge from the conversation. We can only guess if the Senate will act on any bill to repeal and/or replace ACA and the outcome. Nonetheless, here are a few key elements Senators are discussing as we reach publication.

- Both the original BCRA and the revised draft dated July 13th would repeal ACA mandates and most of its revenue-raising provisions.

- The federal government would establish \$70 billion in subsidies to help insurers provide affordable coverage for high risk individuals.
- Use of Health Savings Accounts (HSAs) would be encouraged by raising annual tax free contribution limits and permitting payment of premiums from HSAs.
- While children up to age 26 would still be allowed to remain on their parents' plans, BCRA could permit insurers to sell non-compliant "bare bones" plans outside of the marketplace.
- A GOP decision to abandon tax cuts for the wealthy could help a substantially deregulated market to coexist with an Obamacare-like market.

Since the future of efforts to repeal and replace ACA is impossible to predict, we remain focused on helping our clients comply with the Affordable Care Act and the many other regulatory challenges that continue to come their way.

Compliance Issues Keep Coming

All the talk about repeal and replace seems to have lulled many plan sponsors into a false sense of security, thinking that ACA regulations weren't going to be enforced. Unfortunately, the IRS is preparing to begin penalizing non-compliant plans, which is why we continue to encourage our clients to keep their eye on the ball even though it is easier to follow the media frenzy coming from Capitol Hill.

Trends Latest Happenings in Today's World

Doctors Go Retail

If you live near a large shopping mall, chances are you've noticed vacant stores, thanks to the rapid growth of online shopping. Many retail vacancies are being filled by doctors, dentists, physical therapists and other healthcare professionals looking for ways to become more accessible to their communities. To generate more foot traffic, one

dental network will open clinics in 36 retail centers this year.

Healthcare Hiring Slows

The Altarum Center for Sustainable Health Spending reports a significant drop in health hiring, pricing and spending during the first five months of this year. On average, 22,000 jobs per month were added by hospitals and ambulatory care facilities,

compared to 32,000 per month during the same period in 2016. While the healthcare sector continues to be the biggest contributor to overall U.S. job growth, Founding Director Dr. Charles Roehrig expects the 3-year run of greater than 5% growth in overall health spending to end, mostly due to uncertainty over efforts to repeal and replace ACA and a smaller increase in overall spending by consumers.

Will Members Ever Get Involved in their Healthcare?

Like you, we're always working to encourage members to take more responsibility for their health. While there is plenty to do, reports show that steps being taken by some physicians are having a positive impact.

Visual Aids – With many health conditions involving multiple treatment options, more doctors are using videos and other interactive programs to help patients understand their options and the risks and benefits associated with each.

Electronic Medical Records – More doctors are providing access to electronic medical records, including test results and their notes written after visits. Some health systems are currently sharing notes online with more than 12 million patients. Many report being better prepared for office visits and far more engaged than years ago when most decisions were left to the doctor.

Simple Language – Many are using web-based technology and graphics to share complex medical information such as test results and risks of treatment. These tools have been particularly effective in very serious cases, such as breast cancer.

As the trend to value-based reimbursement continues, we expect more physicians to adopt these strategies. And anything that makes it easier for people to understand the risks and benefits of treatment options will certainly have a positive impact on the future cost of healthcare benefits.

Paid Sick Leave Bug Spreading

As if businesses in Illinois don't have enough concerns, the General Assembly has introduced bills mandating a minimum of five (5) paid sick days per year for Illinois workers. Employees would be able to use the time to care for themselves or a family member, attend a medical appointment for themselves or a family member, miss work due to a public health emergency or because they or a family member has experienced domestic violence abuse. The bills were presented for a second reading earlier this spring, with no resolution to date.



Small Businesses Doing More

According to Deloitte Consulting LLP, small and medium sized employers with 100 or more workers are contributing considerably more towards the cost of employee and dependent healthcare benefits than legally required – about 73% of the total cost, on average. Regional differences also exist, with companies in the Northeast contributing more toward the cost of family coverage and companies on

the West coast contributing more to individual coverage.

Even as healthcare costs continue to increase, consultants agree that employers of all sizes will continue to contribute significantly to healthcare benefits as the job market continues to tighten and retaining top talent remains a top priority.

Stop Loss Legislation



In New York, industry efforts to support self-funding for smaller groups have led to legislation extending the grandfathering of existing stop-loss policies for groups of 51 to 100 for an additional year, through January 1, 2019.

Other legislation impacting access to stop-loss insurance products by smaller groups has taken effect in Minnesota and is slated to become effective in New Mexico on July 1st. Attachment points are still being discussed in New Mexico and it appears that new opportunities for smaller groups may emerge in Minnesota as well. Since our last newsletter, legislation prohibiting small group stop-loss failed to advance beyond committee debate in the State of Maine.

Fighting Specialty Drug Costs

To help control rising specialty drug costs, the National Business Group on Health has issued a lengthy report including 5 public policy recommendations they hope will educate the marketplace and encourage effective, strategic partnerships.

According to NBGH officials, plan design is the key to managing the use of specialty prescriptions as well as the costs. The report details progress

resulting from the aggressive use of utilization review, case management and prior authorization for specialty drugs. Other measures yielding positive results are the design of a specialty tier into the benefits plan and taking measures to administer specialty prescriptions in a facility separate from the hospital. Prescriptions authorized by a hospital or billed under the medical benefit are harder to track and often more costly.

Healthcare Tech Sector Hot

Mention healthcare startup and you probably think of Silicon Valley. Surprisingly, there's plenty of healthcare technology happening in the Midwest, with Minnesota leading the way. According to Twin Cities magazine, 98 health technology startups raised more than \$420 million in capital in 2016 alone, bringing the total to \$2.75 billion since 2009. From mobile app

developers to medical device manufacturers, more than 430,000 Minnesotans are employed by healthcare-related companies.

Rapid Growth for HSAs

Health savings accounts are hot, with nearly two-thirds of respondents to a Plan Sponsor Council of America survey saying they believe that even those without a high deductible health plan

should qualify. A benefit often cited by employers and employees alike is that HSAs can be a valuable part of one's retirement strategy, since healthcare expenses are viewed as one of the largest people face in retirement.

Patient Satisfaction Goes Public

While the University of Utah Health Care System began publishing data from

patient satisfaction surveys 5 years ago, dozens of hospitals and health systems are following suit. One Midwest-based system is listing Yelp-like reviews and a star rating next to each qualifying physician's name. Research shows that 45% of consumers have looked at online provider reviews, with nearly two-thirds saying their selection or avoidance of a certain provider was based on a review.

Did You Know? New Ideas for Healthy Consumers

There's an App for That

The majority of employers now educate employees about health and wellness through apps and portals – a practice expected to increase significantly in the year ahead. As a result, more and more health-related smartphone apps and wearables are coming on the scene.

The movement should come as no surprise, since poor diet is a major problem in the U.S. and technology is doing more to help employees make behavioral changes. It makes sense that employers become part of the solution. As health plan sponsors, they want to do everything possible to help employees improve their overall health and keep healthcare costs in check.

One app designed to improve employee nutrition is called Zipongo, created in 2011 by a physician named Jason Langheier. The app presents the healthiest options via a mobile device, whether the user is grocery shopping or eating out. It offers healthy recipes and highly personalized solutions based on the user's biometric



data, while considering existing food allergies and personal preferences. Zipongo's solutions are currently in use at more than 150 companies, including Google and IBM.

Now is the time for employers to intervene for better health among employees. With a wide-ranging number of health-related apps to choose from, employers should investigate their options thoroughly and be sure that the ones they select work as advertised and are a good match for their organization and their employees.

Achieving Your Health Goals

As we pass the mid-point of 2017, now is a good time to evaluate the resolutions you set months ago. Sometimes we tend to create goals that are too broad, such as "eat better" or "lose weight". Rather than focusing on the end goal, it can help to break it down into steps.

Crafting S.M.A.R.T. goals can help you make positive changes that have staying power – here's how:

Specific: Instead of a vague objective such as "manage stress", come up with a specific action item, such as "do a 3-minute breathing exercise before work and before bed."

Measurable: How will you know if you reach your goal? Track your progress in a journal or calendar.

Attainable: If you've been sedentary and want to start exercising it's best to start with something you know you can do, like a 15-minute walk on Mondays, Wednesdays and Fridays, and build on your progress.

Relevant: Do your goals align with your interests and values? Don't just take up running because your best friend is a runner. Go with something you love and really enjoy, like walking or swing dancing.

Time-specific: Rather than setting a goal to meditate for 15 minutes, 3 times a week for eternity, set an end-point – say, one month. When you reach that goal, assess your progress, make adjustments and set another short-term goal.

It's never too late in the year to revise your resolutions and establish goals you can achieve.

Please Contact Us: This newsletter is not intended as a substitute for personal medical or employee benefits advice. Please consult your physician before making decisions that may impact your personal health. Talk to your benefits administrator before implementing strategies that may impact your organization's employee benefit objectives.



900 Jorie Blvd | Suite 250 | Oak Brook, IL 60523
630.655.3755 | 800.435.5694

www.pbaclaims.com