

This Issue

Ways to Control Costs

It's Spring – a great time for fresh ideas

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Beat Pollen This Spring

Things you can do to ease the misery

Keep Informed



More Bang for Your Benefits Buck!



The Centers for Medicare and Medicaid Services project that the \$3.6 trillion our nation spent on healthcare in 2018 could approach \$6 trillion by 2027. If that number has you wondering how your health plan (and our economy) can possibly survive such an increase, you're certainly not alone.

Fortunately, you and your employees have an employer-sponsored health plan to depend on. And if your plan is self-funded like most, you have the freedom to determine how best to spend your healthcare dollars and the flexibility to respond to member's needs. So rather than worrying about things that are out of your control, let's look at steps others are taking to get more bang for their benefits buck.

Health Savings Accounts have become a must for employers pushing high deductible health plans. Contributing \$500 or more to HSAs softens the impact of higher deductibles, and helps plan members cover out-of-pocket expenses and save for future healthcare expenses.

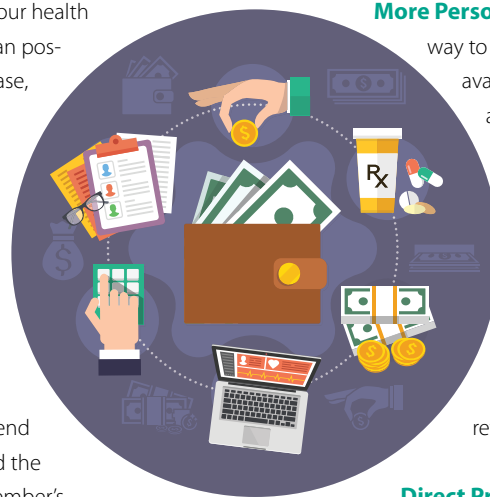
Covering the cost of **Preventive Drugs at 100%** is another option to consider. More and more employers are finding that waiving these copays can help speed

recoveries and avoid some serious health problems that can cost everyone more down the road.

More Personalized Communication is the only way to deal with the reality that even with the availability of web portals, mobile apps and online transparency tools, health benefits are complex and confusing. Employers simply must do more to help members find out about their health benefits and understand them better. A public facing website could be a great way to not only explain your offerings to members, but also help to attract and retain qualified talent.

Direct Primary Care and requiring the use of **Alternative Sites of Care** for certain high-cost surgeries or second opinions are also discussed in this newsletter. TPAs have been recommending these strategies to many self-funded health plans in recent years and both are beginning to show positive results, depending on the makeup of the employee population.

Reference Based Pricing and **Worksite Wellness** programs are options we have discussed at length in recent years and both can be extremely effective. To learn more about these options and for other ideas you may want to place on your radar screen, contact your account representative. Spring is the perfect time to start thinking about next year!





Is Direct Primary Care the Future?

A fee-based model that gives individuals unlimited access to a primary care physician without their insurance being billed is being heralded as the right prescription for healthcare. Most patient needs, such as consulting, tests, drugs and treatment are included, and no insurance billing is involved.

Sources estimate there are about 1,000 direct primary care practices in the continental United States. While most patients pay for the service out-of-pocket, more and more employers are choosing to offer this as a benefit and sharing in the cost.



TPAs and advisers supporting the trend caution that direct primary care is not a replacement for insurance, but rather a great supplement to an existing health plan. By removing the barrier of costly copays and deductibles, employees can forge a much closer relationship with their doctor, making them far less likely to choose a costly emergency room or urgent care clinic when the need for medical care arises. Direct primary care is an option that is growing and one we'd be happy to talk with you about at your convenience.

Federal Judge Derails New Association Health Plans



As reported by The Phia Group on March 29, 2019, a federal judge in Washington, D.C. ruled that the new Department of Labor rules expanding the marketing of Association Health Plans (AHPs) violate existing law. TPAs, brokers and employers see this as a significant blow to AHPs, especially new self-funded AHPs that have been preparing to launch on April 1, 2019.

Federal Judge John Bates sided with several states that took issue with the DOL's final rules several months ago, arguing that a broad availability of AHPs is not within the scope of ERISA, which defines an employer as having at least two or more employees. The final rules were going to allow small employers, including working business owners (employers of one), to join with others based on either common geography or industry affiliation to form an AHP. It appears that the Judge's ruling means that both criteria, geography and industry affiliation, must be met and that qualifying employers must have a minimum of two employees.

Thus far, we are not aware of any response filed by the DOL. We will continue to monitor reactions to the ruling and other developments regarding Association Health Plans.

First Step to Price Transparency a Confusing One

The rule requiring hospitals to post their prices online, which became effective on January 1, 2019, really hasn't done much to promote cost transparency. The problem is that the price lists, which payers refer to as chargemasters, break common procedures into complex, coded retail-priced components that mean little to the average consumer.

As an example, determining the cost of an ER visit would require knowing the codes and locating costs for all parts involved in the visit. Few people, if any, are familiar with these complex details. While giving consumers price information in an easy-to-understand format would be a big help, it appears that CMS Administrator Seema Verma was accurate when she described this as little more than a "critical first step".

Trends Latest Happenings in Today's World

Student Loan Solutions

With student loan debt topping the list of concerns for so many young workers, more and more employers are looking for ways to help. While several large employers are doing things to help them reduce principal and save on interest, one large employer is allowing employees to trade up to 5 vacation days for a payment on their debt. In their program,

a person earning \$50,000 annually could receive a principal payment of nearly \$1,000. The Society of Human Resource Management reports that 4% of employers are offering a student loan repayment benefit of some kind.

Group Exercise is Big

The College of Sports Medicine, in ranking fitness trends for 2019,

concluded that millennials enjoy being part of a community that will cheer them on when they do a good job and perhaps push them a bit harder when they don't. Other popular fitness trends include wearable technology, high intensity interval training (HIIT), yoga and more personalized exercise programs designed specifically for members of the baby boomer generation.



New Developments in Paid Family Leave

SHRM reports that the number of employers offering paid parental leave increased dramatically between 2016 and 2018. In their annual benefit survey, released last June, paid maternity leave rose from 26% of responding employers in 2016 to 35% in 2018 while paid paternity leave increased from 21% to 29%. The percentages of employers offering paid leave for adoption, foster child and surrogacy leave also increased significantly during the past two years. Of the 15 non-insurance or retirement benefits listed by survey participants, paid family leave was the most important, showing up on 58% of surveys.

In a related survey of more than 1,500 respondents by The Caring Company, nearly 75% of U.S. workers are dealing with some type of caregiving responsibility and 32% say they have left a job because they were unable to balance work and family obligations. Census Bureau data shows that caregiving will become an increasingly serious challenge and employers have been slow to recognize the trend. Projections show that for every 100 working-aged Americans, ages 18 to 64, there will be 72 people outside of this range by 2030. This is up from 59 in 2010.



Is It Time for an International Index for Drug Prices?

While the Trump Administration's proposal to eliminate drug rebates has brought increased attention to prescription drug pricing, another proposal includes basing Medicare drug reimbursements on the average price paid globally. Industry leaders say that because many high-priced drugs sell for much less in other countries, adhering to an International Index would lower reimbursement rates significantly.

A PwC report states that this approach would have about the same impact as eliminating the exclusivity that drugmakers enjoy before generics are developed. They estimate that 29 of the top 50 drugs covered by Medicare Part B would be opened to competition under this type of policy. CMS officials estimate that because these drugs account for 83% of overall drug spending, Medicare and Medicaid could save \$18 billion over 5 years. While much debate will follow, the Administration is committed to lowering prescription drug costs in the U.S.

Flexibility Means Retention

Research reported by the Execu Search Group shows that flexibility may very well be the key to keeping millennials engaged. Allowing more vacation time, better training and a more flexible work schedule, including the ability to work at home when needed, are keys that will make young people happier and more productive. The SHRM says that more companies

are offering these benefits in order to retain young workers in today's competitive labor market.

Mental Health Days

As more workers struggle with stress in and out of the workplace, some are requesting time off in order to cope. This is not a problem for companies with sick-day policies that allow employees to use their paid personal



Flying to Centers of Excellence

CNBC recently featured a story about Walmart and their history of not only suggesting that employees visit Centers of Excellence for surgeries and second opinions but flying them all expenses paid. The case study revealed that between 2015 and 2018, more than half of their employees suffering from spine pain were able to avoid surgery by seeking treatment at Mayo Clinic.

Shorter hospital stays, lower readmission rates, fewer episodes of postsurgical care and a faster return to work were other benefits gained when results were compared to patients who chose other hospitals for treatment. Walmart reported that even though they spent more per surgery at Mayo Clinic than what other hospitals were charging, they saved money because of better outcomes and surgeries that were avoided.

Is Your Plan Examining the Value of Investment?

While many employers use health screenings and health risk assessments to detect medical conditions early on, some have a difficult time determining the value of these wellness-related measures. Some compare the costs of testing to an estimated cost of medical claims, but in an effort to determine a more accurate return on investment, others are taking factors such as reduced absenteeism and increased overall productivity into consideration. It makes sense since improving overall health and productivity really is the objective of wellness programs.

days for any reason. In other workplaces, people who are honest about asking for a mental health day can sometimes be looked upon as suffering from a mental health issue. Regardless of how your organization may handle these issues, it is important to respect employees' right to privacy and avoid probing for sensitive information about a person's well-being.

More Choose Veganuary

Worldwide, 226,000 people have signed up with the British charity Veganuary, agreeing to try a vegan diet free of all animal products. While some try vegan for one or two meals per day, others have gone full scale. Some are doing it for environmental reasons while others are concerned about animal welfare and, of course, their health.

Did You Know? New Ideas for Healthy Consumers

Winning Against Pollen



It's spring and with it comes the sneezing, itchy eyes and congestion that allergies can cause. Here are a few tips that can help you keep pollen from winning in and around your home.

Wash Away the Pollen – If you've been outside doing yard work, walking or doing most anything, take a shower as soon as possible when you come in for the day. If that timing doesn't work for you, make sure you wash your hands immediately.

Remove Your Shoes – It might sound silly, but your shoes will carry all kinds of irritants from your trees,

grass, weeds and dirt right into your home. Take them off as soon as you enter your house.

Close Your Windows and Doors – We all love to air out the house after a long winter but keeping windows and doors open is just the invitation pollen is waiting for. If you can't resist fresh air, be especially careful from early to midmorning, at dusk and, of course, when it's windy.

Don't Hang Laundry Outdoors – You can bet that pollen will stick to sheets, pillow cases and towels, so it's important that you wash your bedding every week and avoid outdoor drying.

Use HEPA Filters – High efficiency particulate air filters (HEPA) help trap allergens and other irritants before they flow throughout your home's interior. While some can be effective for up to 2 years, the Institute of Environmental Science and Technology recommends changing HEPA filters every 6 months.

Cancer Deaths Fall 27% in 25 Years

Researchers at the American Cancer Society report that **2.6 million fewer cancer deaths** occurred during the last 25 years, a decline of 27% in a quarter century. While researchers attribute the positive results to long-running efforts to reduce smoking, advances in early detection and treatment at earlier stages have contributed to a consistent drop of 1.5% per year from 1991 to 2016.

Are You Washing Your Water Bottle?

Water may be the beverage of choice for health and wellness lovers, but using your reusable water bottle multiple days in a row without washing it and allowing it to dry completely can lead to bacterial growth and sickness. Infectious disease specialists recommend that, at a minimum, pouring water out of your reusable bottle at the end of each day will eliminate some germs. Getting rid of the bulk of bacteria and decreasing the likelihood of a stomach bug requires scrubbing the entire bottle, including the lid and straw and letting it air dry completely after each use. A bottle brush is good for tall bottles with thin necks and dish soap or a bleach-based cleanser labeled safe for drinkware is best.



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.



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