

## This Issue

### Communication

Few things are more confusing than benefits and healthcare. Employees need your help.

### Student Debt

More and more organizations are finding ways to help.

### Easier Pre-Auths

Physicians ask congress to streamline the process.

### Higher Cost of Care

Health system consolidation = higher costs for patients.

### Keep Informed



# Communicate Better. Benefit More.

With open enrollment underway, it may be a little late to focus on communication. But then again, helping plan members get the most out of their health plan should be more than just a month-long endeavor. Surveys continue to indicate that even highly educated employees describe benefits, insurance and the enrollment process as “very confusing.”

Consider academic research by the Commonwealth Fund and a recent study by Accenture. While one points to higher deductibles and copays as the leading financial barrier to medical care, the other cites low health literacy as a hidden cost adding billions in administrative expense to our healthcare system. While it may never be possible for your plan to do away with copays and deductibles, high performance TPAs are doing many things to help plan members make more informed healthcare decisions. Here are a few ideas.

**1. Simplify Summary Plan Descriptions** – Remember that these are more than compliance documents. They are communication pieces and need to be written so that regular people can read them. Make it easy for employees to find information on eligibility, how they enroll, what the plan covers, what isn't covered and how to file a claim. Move as much legal information as humanly possible to the end.

**2. Put an End to Boring Content** – To make things easier on the eyes and draw attention to information people care about, use different kinds of headings and add visuals or infographics to any benefit-related



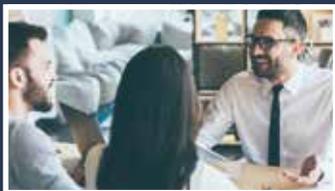
communications. Include links to your TPA's website or other websites that employees can learn from. You don't need a Hollywood producer to use video clips and after all, video is pretty much all that younger people look at these days. Seriously!

**3. Create a Decision Support Taskforce** – It sounds challenging, but look outside HR to recruit a team of individuals who feel comfortable with your health plan and healthcare in general. Let people know they can reach out to these individuals with questions about plan options, coverage, how to file a claim, provider networks, etc. People will appreciate this, especially your younger employees who studies show are particularly confused and stressed over everything insurance related.

Improving your communications can make people feel much more confident about the decisions they have to make. You don't have to tackle everything at once and even a little progress will improve morale and help people avoid making decisions they may regret later.



## Should Employers Care About Student Loans?



A Study by TIAA and the MIT Age Lab shows more than 44 million Americans account for some \$1.5 trillion in outstanding student loans. Most borrowers are students, but surveys show that plenty of parents and family members are on the hook as well. While their circumstances vary, all are dealing with some level of financial stress.

Fortunately, an increasing number of employers are taking a more holistic view of wellness. And while most have long recognized the connection between stress and lost productivity, many are waking up to the fact that financial pressures are contributing to the stress.

**Financial Education to the Rescue**  
SHRM says that to deal with the growing problem, more companies are enlisting the services of financial advisors. While counseling won't directly attack their debt, it often helps families learn to cope with the problem. More large employers are allowing employees to convert a portion of their unused paid time off to debt reduction.

As an employer, anything you do to help will contribute to the overall financial well-being of your people. Just like other components of your wellness strategy, making employees more financially secure will enhance their overall quality of life while improving the culture and productivity of your organization.

## Healthcare Reform & Regulatory Update

# ACA Premium Tax Returns

While the Congressional moratorium continued throughout this year, the health insurer provider fee is due to return in 2020. When it does, fully-insured medical, dental and vision renewals will be approximately 4% higher than they would have been otherwise. The good news is that this tax will not apply to most self-funded health plans, including small group plans that use level funding arrangements.

## HSAs Become More Flexible

Currently, patients with high deductible health plans and health savings accounts have to pay for treatment of chronic illnesses out-of-pocket until they have reached their required deductible. According to IRS Notice 2019-45, those with chronic conditions such as diabetes, high blood pressure or asthma, will reduce their financial burden prior to reaching their health plan deductible.

The notice, which becomes effective on January 1, 2020, states that the service or item needed must be low cost and supported by medical evidence showing that it will prevent the chronic condition from getting worse or causing other related health issues.



## Physicians Push to Ease Pre-Authorization

Doctors representing several Physician associations recently appeared before the U.S. House of Representatives to encourage legislators to streamline the prior authorization process which they say is out of control. A spokesperson representing the American Academy of Family Physicians said that a process initially implemented to prevent unnecessary and extremely costly treatment has led to physician burnout, poorer patient outcomes and general chaos for physician practices and patients alike.

Physicians were speaking in support of the "Improving Seniors' Timely Access to Care Act of 2019, a bill that was introduced in the House back in June. While more than 300 healthcare organizations have registered their support for this proposed legislation, some insurance industry lobbying groups say they are already taking steps to reduce the unnecessary burden. Other organizations, including insurance carriers, say they are committed to doing so and that legislation is not needed.

# Trends

## Latest Happenings in Today's World

### Using Social Media More

The Binary Foundation reports that more than half of surveyed adults have used social media networks to search for healthcare providers – a six-fold increase since 2017. More important, 75% of respondents were influenced by online ratings and reviews, with many calling these reviews somewhat or very reliable. Only 9% said they do not use online

platforms when selecting a provider, compared to 48% in 2017.

### Allowing Imported Drugs

HHS Secretary Alex Azar announced new proposals from the administration that would allow Americans to pay less for high-priced prescription drugs. One enables drug manufacturers to negotiate new contracts to sell lower-priced foreign versions of

certain biologics. The other would enable states, wholesalers and pharmacists to import certain FDA-approved drugs from Canada. The proposals are in line with the President's pledge to lower prescription drug costs for Americans.

### Dress More Casual

Non-technical staffing company Randstad US reports that 79% of

## Older Workers and Medicare

It's doubtful that many technology companies are concerned about employees nearing age 65. Other employers, however, may want to brush up on Medicare eligibility in order to help older workers understand their options and avoid any potential gap in coverage. Here are just a few Medicare-related concerns:

- For employees who will lose access to employer-sponsored group health coverage at age 65 or who choose to sign up for Medicare upon becoming eligible, the Initial Enrollment Period (IEP) is 3 months before to 3 months after the month they turn 65.
- Medicare-eligible workers who leave employment with a retiree health plan or COBRA coverage are classified as "former workers" and therefore need to enroll in Medicare during their IEP.
- Employees who have enrolled in Social Security before their 65th birthday will automatically be enrolled in Medicare Parts A and B. In order to avoid paying for 2 health plans, they may need to inform the Social Security Administration that they do not want Medicare Part B at this time.
- Finally, for companies with fewer than 20 employees, Medicare becomes primary coverage. Workers and/or their spouses who are 65 or older must enroll in Medicare Parts A & B.

While employees must enroll in Medicare on their own, a little help from HR can go a long way. When questions about Medicare eligibility and enrollment arise, never hesitate to encourage a visit to a local Social Security Administration office or [Medicare.gov](http://Medicare.gov).



## Moving Patients Can Be a Win-Win

From hospitals to insurers, you've probably heard many say that the goal is to provide the right healthcare, at the right time, in the right place. When it comes to the infusion of high-priced specialty drugs, location can make a huge difference. As an example, the variance in the cost of hospital-administered multiple sclerosis drugs can be staggering. One third party administrator saved a self-funded health plan more than \$30,000 by moving a patient from a local hospital to a beautiful treatment facility in the Cayman Islands. The patient not only received their prescription in a beautiful, clean, state-of-the-art facility, but air travel and lodging were included.

Other cases compare the administration of specialty drugs in independent physician offices and patient's homes rather than hospital outpatient settings. Savings ranged from \$16,000 to \$37,000 annually and the patient received the same level of personalized care without the hassle of a hospital visit. While the patient's condition and circumstances always take precedence, finding a more appropriate location for treatment can make a positive difference for the plan and the patient.

## Coping with Tragedy: Ways Your Company Can Help

Tragedy can strike at any moment and no community, business or family is immune. And whether the event impacts one employee, a group of workers or the community in which your business is located, getting life back on track is never easy.

Experiencing a personal tragedy teaches us that compassion can make all the difference, especially coming from an employer. A recent article described an employer who flew overseas to visit an employee recovering from a gunshot wound received in the 2017 Las Vegas shooting. While few employers can do that, everyone can pick up the phone and offer support and understanding along with details on available family leave or mental health benefits. In a world where company culture is so important, helping one employee at a difficult time can create long-lasting loyalty and more.

employers offer casual, business casual or no dress code at all. Even investment bank Goldman Sachs has reportedly relaxed its dress code in response to the changing nature of workplaces. While most employers are considering increased flexibility to be a welcome benefit, many employees appreciate being able to save money on their wardrobe and related expenses such as dry cleaning.

### Wellness Budgets Rising

While the National Business Group on Health has forecasted a 5% increase in the cost of healthcare benefits, others are expecting employers to dedicate more resources to health and wellness. More emphasis will also be placed on the use of digital tools to identify lower cost providers and boost employee engagement. Experts say the trend is in response to more and more employees

looking to their employers to help them better manage their personal health.

### Surprise Bills

A survey of individual healthcare consumers shows that the lack of cost transparency is taking a big toll, with more than half of respondents saying they have passed on doctor visits or prescriptions because of cost. The vast majority of those foregoing treatment

cite the cost of higher deductibles and copays as the top concern along with consistently rising prescription drug costs.



# Did You Know? New Ideas for Healthy Consumers

## Subtle Signs of Diabetes

According to the Centers for Disease Control, more than 30 million Americans have diabetes – a chronic condition that happens when your body doesn't produce enough insulin or process sugar efficiently. The surprising thing is that about 7.5 million people are diabetic and don't know it!

Doctors say if you're over 45 years of age, are overweight or diabetes is part of your family history, you should be screened regularly. If these characteristics don't apply, you may want to talk with your physician if you demonstrate any of the following symptoms:

- Increased need to urinate
- Being very thirsty or more hungry
- Bleeding or swollen gums, receding gum line and mouth pain
- Bruises and cuts that take a long time to heal
- Losing weight without trying
- Increased fatigue
- Dizzy or fainting spells
- Yeast and fungal infections
- Dark spots around your neck and armpits
- Tingling or numbness in your hands and/or feet
- Itchy, dry skin

There are several steps you can take to prevent or control diabetes, but like most serious illnesses, early detection is critical. Diabetes or pre-diabetes can be determined by a simple blood test.

## Vaping in the News

As public health officials work to identify a respiratory illness putting people who vape in the hospital, negative reports continue to frighten parents. In the last month or so, two young people have died in Illinois and more than 20 others have been hospitalized throughout the state. The news is similar in other states, as more than 190 hospitalizations were reported by the Centers for Disease Control and Prevention.



State and federal health officials are searching for answers, including details on what these people vaped. While manufacturers say their e-cigarettes were always intended as an alternative to cigarettes for adult smokers, legal challenges are being directed at manufacturers for aggressive marketing to teenagers.

## Vertical Integration Driving Costs Higher

A recent study in the State of Texas revealed that when health systems acquire physician practices, patient costs go up. The study was in response to a wave of consolidations across all facets of healthcare, from institutions to individual physician practices. Results showed that the share of physician practices owned by hospitals in Texas rose from 14% in 2012 to 29% in 2016.

When two years of claims data was analyzed, it showed that PPO members spent nearly 6% more when treated by doctors in hospital-owned practices, versus physician-owned practices. A breakdown revealed that higher costs were attributable to additional services being provided rather than higher fees. Higher costs for imaging, durable medical equipment and operating and recovery room use were common contributors, with no evidence of improved quality shown.

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