

**International Society of
Certified Employee
Benefit Specialist
Benefits Day
October 14th, 2021
Health Care 101
James H. McTiernan**



Insurance | Risk Management | Consulting

- **Goals & Objectives**
- **Medical Benefit Programs**
 - Overview
 - Plan Design
 - Employee Contribution
 - Plan Funding
 - Prescription Drug
 - Carrier/Administrator Selection & Comparison Tools
 - Future Outlook
- **Dental Benefit Programs**
 - Plan Design
 - Vision Cost Management
 - Carrier/Administrator Selection & Comparison Tools
- **Vision Benefit Programs**
 - Plan Design
 - Vision Cost Management
 - Carrier/Administrator Selection & Comparison Tools
- **Voluntary Benefits**
 - Key Considerations
- **Questions & Discussions**

Goals and Objectives

Overview

Considerable information to cover

- Class on each component
- Will move briskly over a great deal of information

Concentrate on major areas for consideration

- Key considerations
- Plan development guides
- Questions to address

Use as a “high level” road map in benefit management

- Healthcare benefits
- Medical, Dental, and Vision

Medical Benefits – Key Considerations

- Serving two masters
 - Fiscal requirements
 - Employee relations

Plan Design

- Optimum designs
 - Consider plan cost vs. employee needs
 - Always think long term
 - Where do we want to be – three – five years
 - Have a long term strategic plan
 - Consider real projection needs
 - Avoid buying more insurance than is necessary

Employee Contributions

- Cost management tool
 - Manage to cost targets
 - Plan choice
 - Employee relations
 - Migration tool
 - Short and Long term
 - Being “aggressive” can be valuable

Plan Funding

- No right way to fund benefits
 - Fully insured
 - Self-funded
 - Hybrid
- Important to Remember
 - The cost of any program – the claim cost!
- Key considerations
 - Risk Tolerance
 - Can we manage claim fluctuations
 - Risk Charges
 - Insured vs. self insured
 - Insured risk charges may be considerable less
 - True understanding of claim cost is key

Prescription Drug

- Fastest growing component of plan cost
 - Specialty Drugs
 - Recurring can be devastating to plan sustainability
- Prescription Drug Management
 - Carve In
 - Provided through medical carrier
 - Carve Out
 - Direct contract with a Prescription Benefit Manager (PBM)
 - Both have merit
 - Key
 - Who is the best Prescription Benefit Manager?
 - True drug therapy management
 - Avoid simply chasing rebates

Carrier Administrator Selection

- Look for partners – not vendors
 - Long Term relationships
 - Should not be a pure short term cost decision
- Difficult – but not impossible
 - Tools and resources are available
- Comparison tools
 - Provider reimbursement
 - Lowest claim cost access
 - Use claim costing tools
 - Access
 - Providers
 - Cost & Quality
 - Value Added
 - Medical Management
 - Wellness
 - Member services

Future Direction

- High Performance Networks
 - Lower reimbursements – higher quality
 - Smaller Networks
- Prescription Benefit Management
 - Specialty drug management
 - Biggest long term challenge

Dental Benefits – Key Considerations

- Important to pay attention to dental benefits
- Important component of benefit plan
 - Can use to enhance overall program
 - Minimal cost impact

Plan Design

- Put thought in dental plans
 - Consider employee needs & satisfaction drivers
 - Benefit considerations
 - Plan maximums
 - Coverage levels
 - Major services
 - Implants

Dental Cost Management

- Funding
 - Dental lends itself to self funding
 - No “shock” Claims
 - Choice is a cost management tool
 - Manage to cost targets
 - Selection & contributions

Carrier/Administrator Selection & Comparison Tools

- Fee schedules
 - Fee schedule structure
 - Will determine ultimate cost structure
- Network Access
 - Key
 - Plan cost
 - Member satisfaction
- Access fees
 - Importance to understand
 - Will impact program cost

Vision Benefits – Key Considerations

- As with dental - Important to pay attention to vision benefits
- Not high cost – Important to employees
 - Used by a majority of members

Plan Design

- Major considerations
 - Frequency
 - 12 vs. 24 months
 - Allowances
 - Frames & contacts

Vision Cost Management

- Funding
 - Vision also lends itself to self funding
 - No “shock” Claims
 - Choice is a cost management tool
 - Manage to cost targets
 - Selection & contributions

Carrier/Administrator Selection & Comparison Tools

- Access
 - Chains vs. independents
- Value Added
 - Extra Services
 - Discounts

Voluntary Benefits – Key Considerations

- Can be an important component of a welfare benefit plan
- Do's
 - Ensure that programs offered meet specific needs
 - Integrate with total program
 - Use group platforms
- Don'ts
 - Offer non needed benefits
 - Avoid direct solicitations
 - Selling your employees insurance

Questions and Discussion

Thank you!