



Risk & Insurance | Employee Benefits | Retirement & Private Wealth

The Whirlwind of Benefits

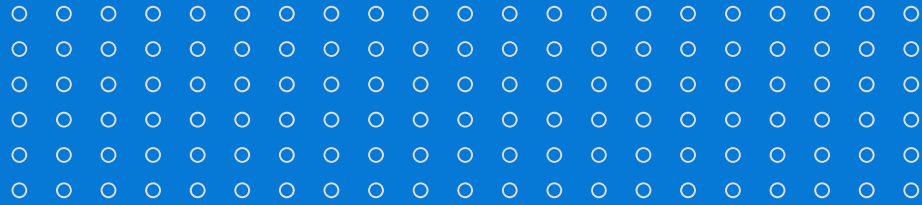
DAN LAROCK



Agenda

- 1** | HSA Update
- 2** | Return to Personalized Healthcare
- 3** | Pharmacy
- 4** | Final Thoughts

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HSAs: Nearly 20 Years of Trends & Data



HSA Details



Health savings account (HSA)



Tax-advantaged savings vehicle used to pay for current and future healthcare expenses



Funded by the employer, employee or both



Contributions cannot exceed

\$3,850

for individual coverage and

\$7,750

for all other coverage tiers in 2023



Who is eligible? Any employee who is



Covered by a qualified CDHP



Not claimed as a dependent on another person's tax return

Not covered by other non-qualified CDHP medical insurance, including

- Medicare, general purpose FSA, Tricare, etc.
- May be eligible for VA benefits if certain requirements are met (e.g., date of service, type of services provided, disability connected to military service, etc. See IRS Notice 2004-50 for details)

Overcoming the Fear of HSAs

Expensive, ongoing medical conditions



Prescriptions are subject to deductible

- No copays—you pay the actual cost of the drug (receive insurance company's discounted rate)
- Generic medications are considered preventive

It's your money now



Identify low cost/ no cost resources

Call doctor's office first, nurse line, telehealth, EAP, urgent care, community outreach programs, etc.



Wise consumerism

- Shop around, use carrier cost estimators, smartphone apps, manufacturer coupons, etc.
- Good Rx



HSA Vital Stats



Devenir estimates that the 35.5 million health savings accounts as of December 31st, 2020 helped cover more than **70 million people** – 20% of the U.S. Population



Millennials embrace HSAs. Younger consumers have embraced health savings accounts, with almost **1 in 5 Americans** in their 30s having an HSA



Total Assets in HSA's crossed \$112 Billion in 2022

Across the country, HSAs are being utilized in every state and territory of the country. In some states, as much as

77%

of the privately insured population is covered by an HSA

HSA Vital Stats



The average participant contribution in 2022 is \$1,684, up slightly.



The vast majority of responding organizations (**84.4%**) offer investment options for HSA contributions



Average account balance at the beginning of 2023 is \$3725. 14% of all accounts have a balance of \$5000 or greater. 52% are under \$500.



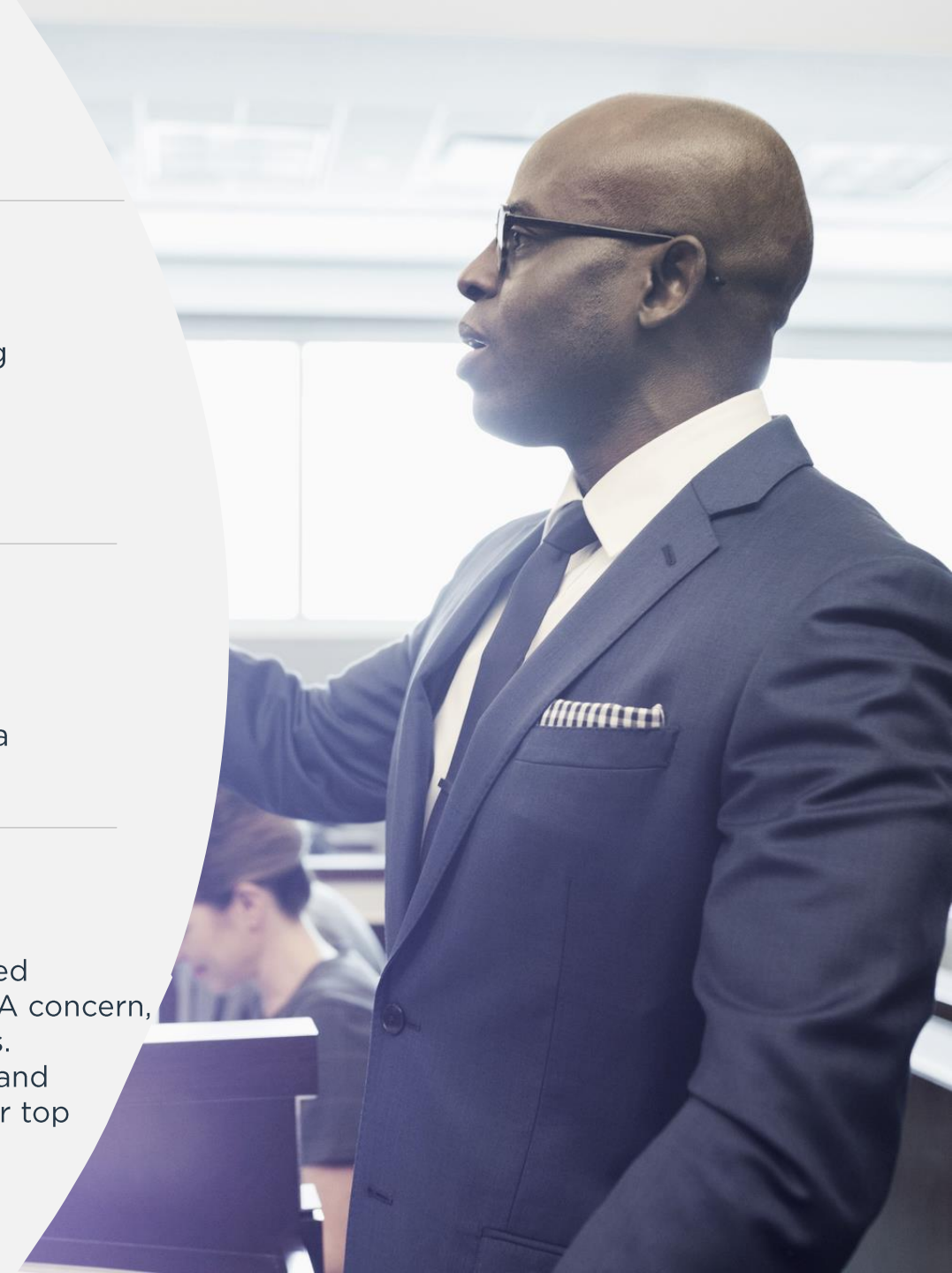
Nearly 2.6 million participants invested assets in 2022. That's a little over 7%. Needs to Rise!



Most employers (**83.2%**) make contributions to the HSA, including 75% of smaller organizations and more than 90% of large ones. Employers averaged \$869 in 2022 for those making contributions.



More than **80%** of employers cited employee education as a top HSA concern, consistent with previous findings. Compliance, Medicare eligibility and difficulty of administration vie for top secondary concerns



HSA Vital Stats



The top education priority for more than **60%** of survey respondents is explaining HSA tax preferences, followed distantly by explaining contribution limits (13.2%)



Fewer than **40%** of employers position the HSA as a retirement savings vehicle. **THIS IS CHANGING.**



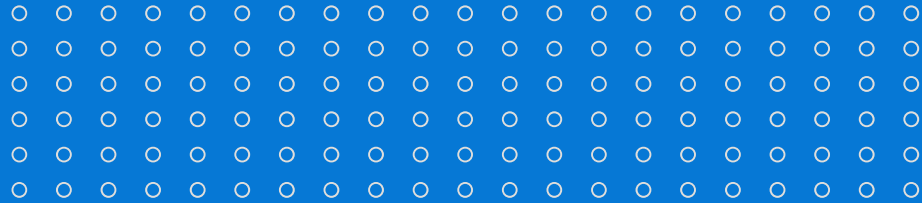
35% of organizations automatically enroll employees in the HSA if they enroll in the HSA-qualifying health option, up from 32.2% in 2019



Two-thirds of organizations cover HSA maintenance fees themselves. The fees are generally assessed monthly (79.4% of plans) and cost less than **\$3/month/participant**, on average



2



Return to Personalized Healthcare



Direct Primary Care (DPC)



WHY?

Six in ten report having had a bad healthcare experience. About half of patients say they have trouble affording health care—even those who are insured. Americans' satisfaction with their healthcare system hit a new low in 2022.



The DPC model is offered directly to individual patients and families, through employers, who often self-insure for their employee health benefits, through union plans, and working in conjunction with Medicare Advantage (MA).



The DPCC believes that Americans of all ages and incomes should have access to high functioning, affordable, comprehensive, accessible, personal primary care.

LOCAL PROVIDERS



DPC Society of Actuaries Report



Charge patients a recurring—typically monthly—membership fee to cover most or all primary care-related services. \$50-\$100 on average.



Do not charge patients per-visit out-of-pocket amounts greater than the monthly equivalent of the retainer fee.



Do not bill third parties on a fee-for-service (FFS) basis for services provided.

**DPC
physician
practices are
those who...**

DPC Society of Actuaries Report



Contracting

DPC practices typically do not contract with insurers, government payers, or third-party administrators (TPAs). DPC practices typically only contract directly with patients or with self-insured employers.



Recurring fee

The majority of DPC practice revenues typically come from monthly or annual DPC membership fees, generally ranging from \$50 to \$100 per person per month.



Smaller patient panels

DPC practices usually have fewer patients than traditional primary care practices, typically fewer than 1,000 and most often around 200 to 600.



Expanded patient access

Due primarily to smaller patient panels, members of a DPC practice have better access to their PCP. This improved access manifests itself in longer-duration office visits, same-day or next-day appointments, text or phone-based provider contact, and occasionally PCP home visits.



Contracting

The typical length of an office visit for a traditional primary care practice is around 12 to 15 minutes. A significant portion of this time is typically not face time, because coding and documenting electronic health records (EHRs) pressures keep physicians behind the computer screen. By contrast, for DPC practices, office visits average around 40 minutes but can vary based on the patient's need.

Other key features characterizing much of the DPC delivery model include...



Virtual Care and Telehealth are at the core of DPC service offerings

99% of all DPC practices surveyed were doing virtual consults via text/phone as a part of the membership fee (two years prior to COVID-19)

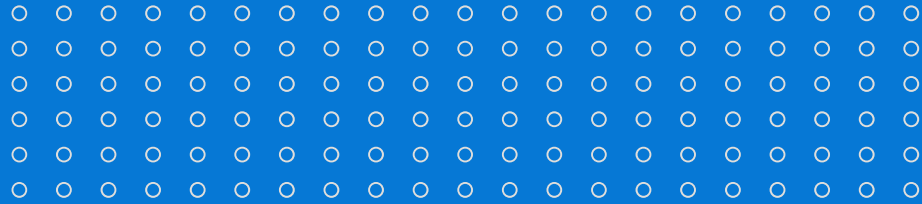
88% said they provided “telemedicine” benefits (meaning expanded video or additional digital communications assets)



Enrollment in DPC is associated with a reduction in overall member demand for health care services outside primary care

- DPC members had 19.90% lower claim costs for employers on an unadjusted basis and 12.64% lower claim costs on a risk-adjusted basis during the two-year period
- DPC members experienced approximately 40% fewer ER visits that those in traditional plans.
- DPC members experienced a 53.6% reduction in ER claims cost
- DPC members experienced 25.54% lower hospital admissions on an unadjusted basis. While this figure may have statistically variance, it validates previous research trends showing a reduction in the use of hospitalization and more complex specialty care by DPC members
- According to [Grand View Research](#), the U.S. telehealth market will be worth more than \$300 billion by 2028—up from roughly \$34 billion last year.

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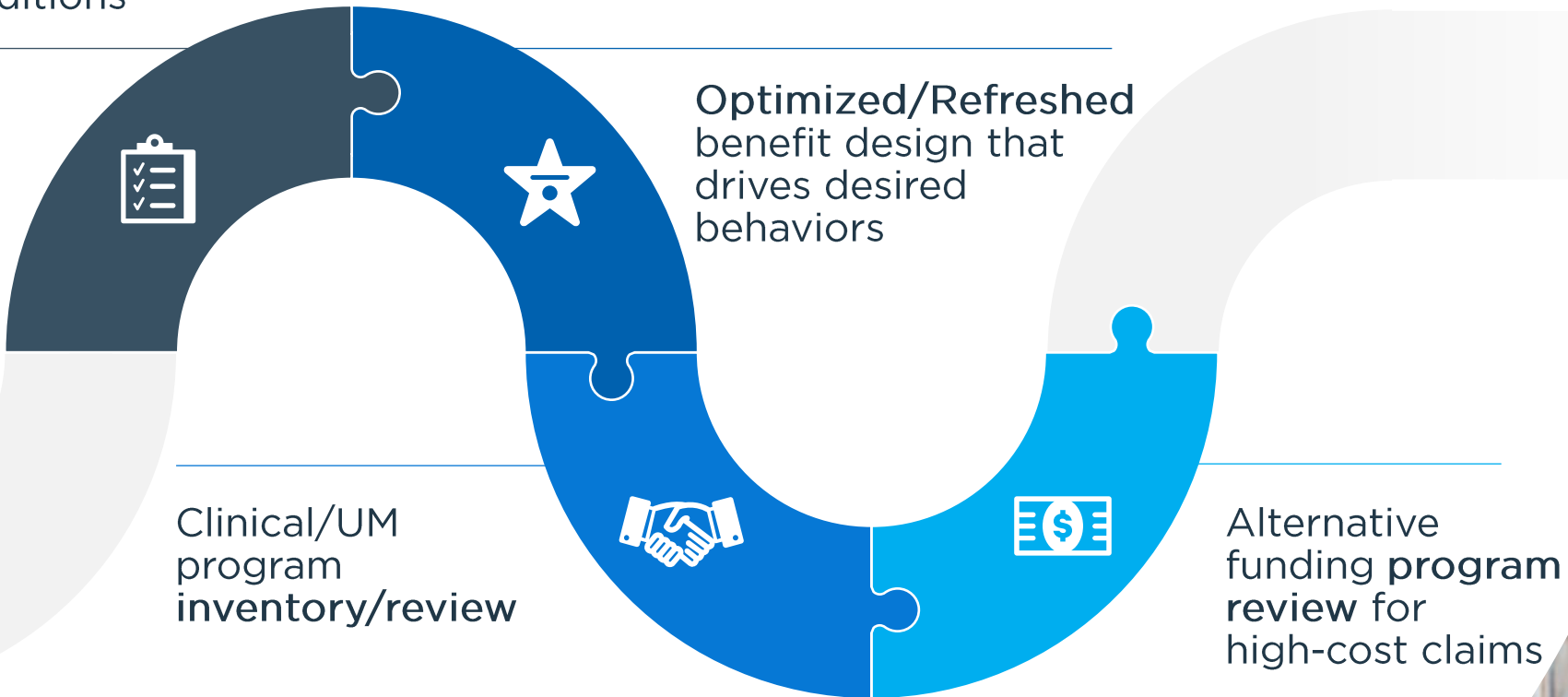
Pharmacy



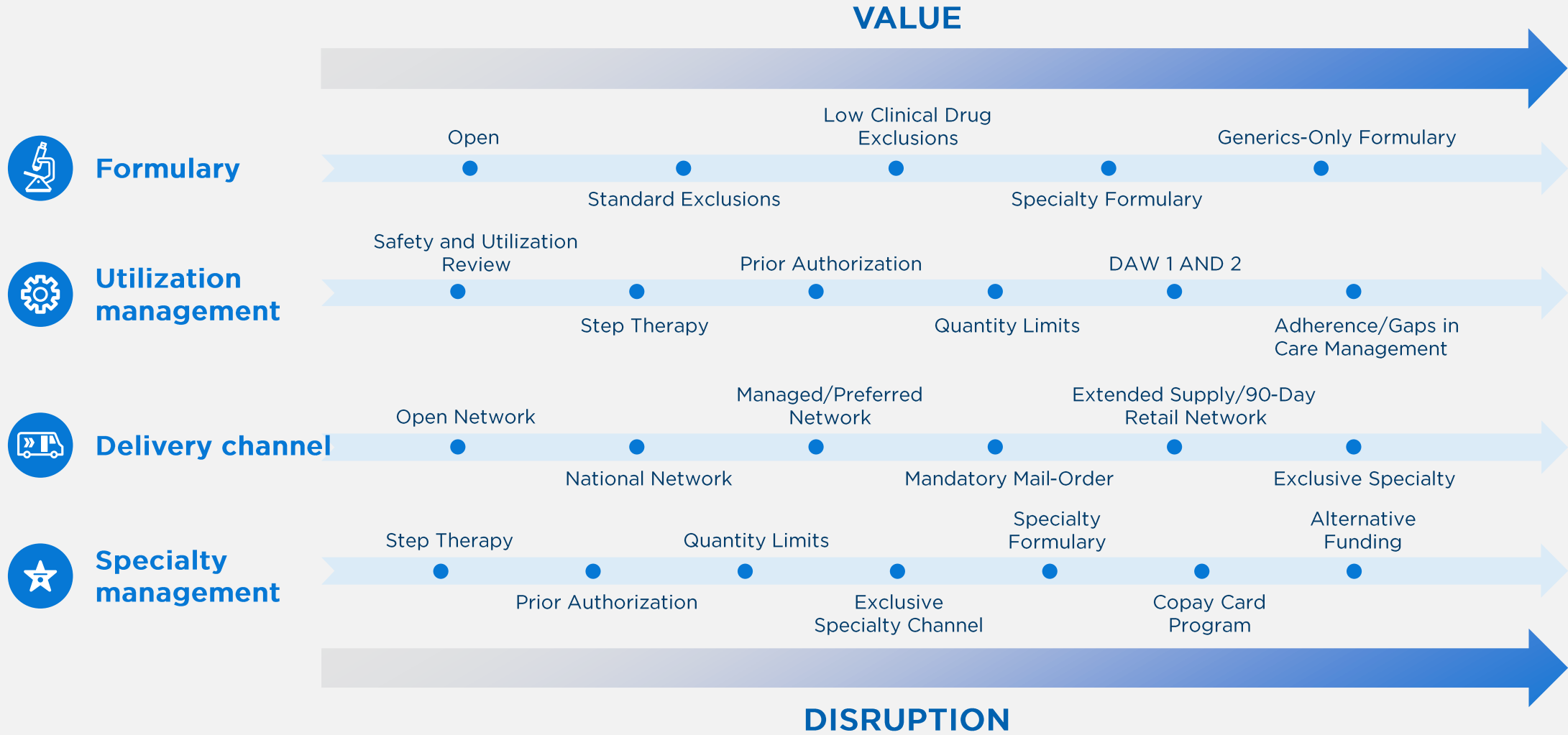
Four Pillars of a Successful Pharmacy Strategy

Results will vary by client – partner with pharmacy SME for in-depth review

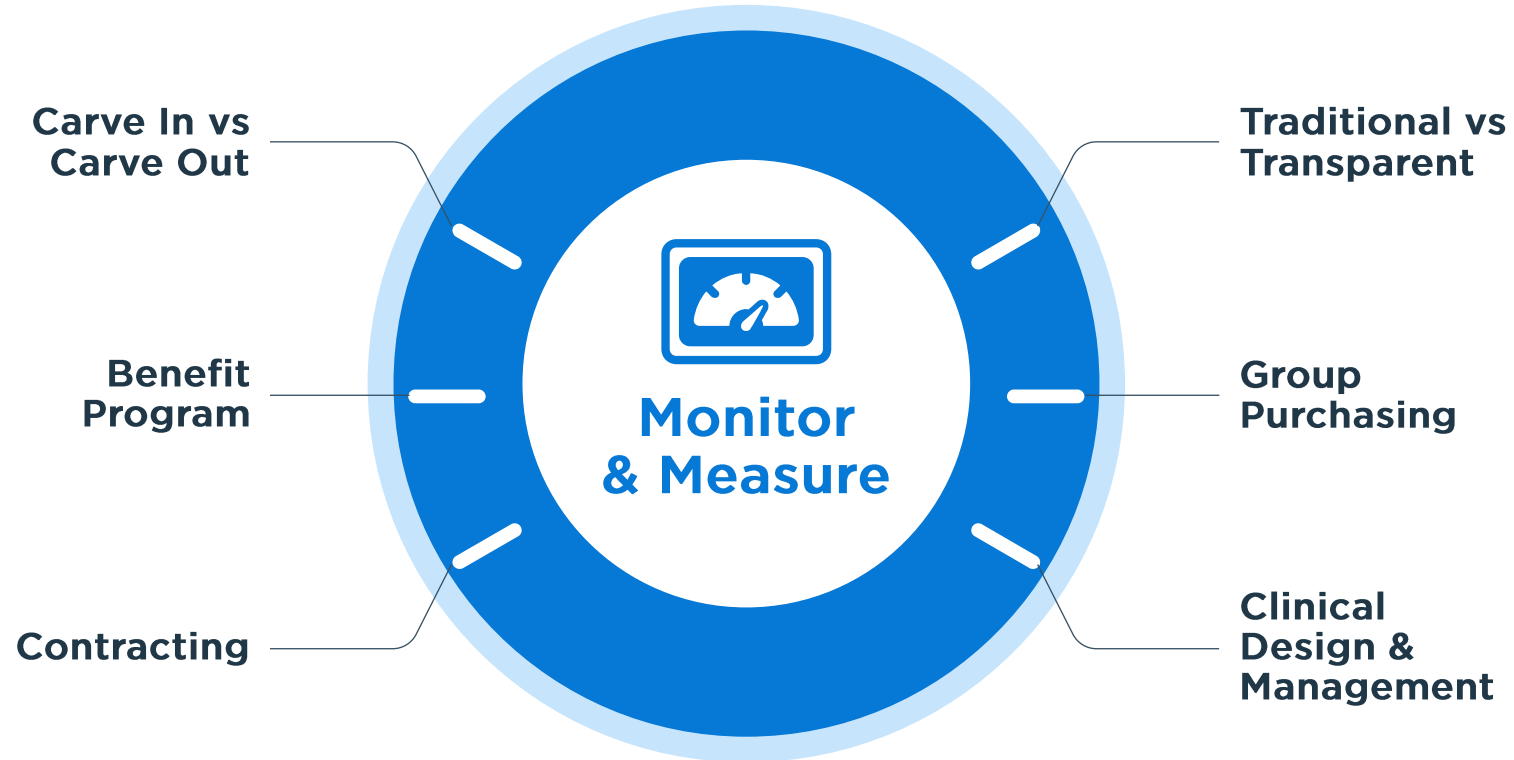
Updated/Competitive contract terms and conditions



Evaluate Pros/Cons of Potential Solutions



Implement, Measure, and Re-Evaluate on a Regular Basis



01

Partner with Pharmacy SME, Benefits Advisor, Data Warehouse and PBM provider to measure and monitor pharmacy program results on a regular basis

02

Compare results to program goals, industry benchmarks and best practices

03

Verify achieved discount versus guarantees quarterly or annually; collect “true-up” payments when applicable

04

Track rebate yield and payment timing

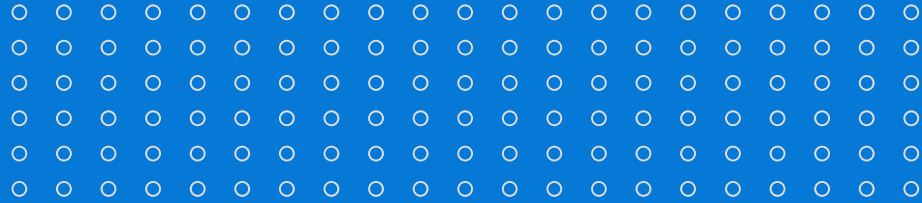
05

Monitor utilization data for high-cost claimants and develop a plan to manage

06

Monitor utilization data for high-cost claimants and develop a plan to manage

4



Final Thoughts



Mental Health



Silver lining of the pandemic



Finally normalizing the conversation (newest in our workforce leading the charge)



Telehealth may be the best place to start



Removes barriers to access, stigma & cost

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Thank you.

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Risk & Insurance | Employee Benefits | Retirement & Private Wealth

Medicare Practice Introduction to Medicare

Aaron Janssen

2023



Aaron Janssen

Account Executive

What Is the Medicare Practice?

- Education to employers and employees of clients close to the age of 65 or older
- Explain rights, options and entitlements to the Medicare Program
- Explain timelines and assist with enrollment
- Ongoing Medicare reviews for people we assisted with Medicare Enrollment
- Custom financial analysis

Who Benefits From This Education?

- Employees and spouses of employees
- HR teams are able to “outsource” this service to a trusted source
- HR also can use us throughout the year as a Medicare compliance resource

Why Is This Important?

- HSA compliance
- Understanding Medicare is confusing and the enrollment process is confusing. This allows the employees to be educated without a sales pitch
- Cost containment to the health plan
- Add on service, at no cost to the employer

I Don't Specialize In Employee Benefits, What Should I Look For?



- An aging work force
- High claimants
- Do you have a Medicare strategy in place?
- Clients offering a High Deductible Health Plan with HSA

HUB

Thank you.

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