

BENEFITS FOR UNDER 50 EMPLOYEES



NORTH
IMPROVING THE LIVES WE TOUCH



**County Road Association
OF MICHIGAN**



Agenda

- ▶ Introduction
- ▶ Healthcare confusion....Good and Bad
- ▶ ACA....Federal, State, and underwriting rules.
- ▶ Best practices
 - ▶ Group Collaboration & Education
 - ▶ Ideas on how to fund you healthcare
 - ▶ Retirees and our commitments
 - ▶ Its time.....to become a consumer
- ▶ Conclusion

HEALTH + CARE = HEALTHCARE?





IMPROVING THE LIVES WE TOUCH
LEADING THE HEALTH REVOLUTION

100 EMPLOYEES
6 LOCATIONS
400+ EMPLOYER GROUPS
ASSOCIATION PARTNERSHIPS





Your Dedicated Service Team



Consultant



Account
Executive



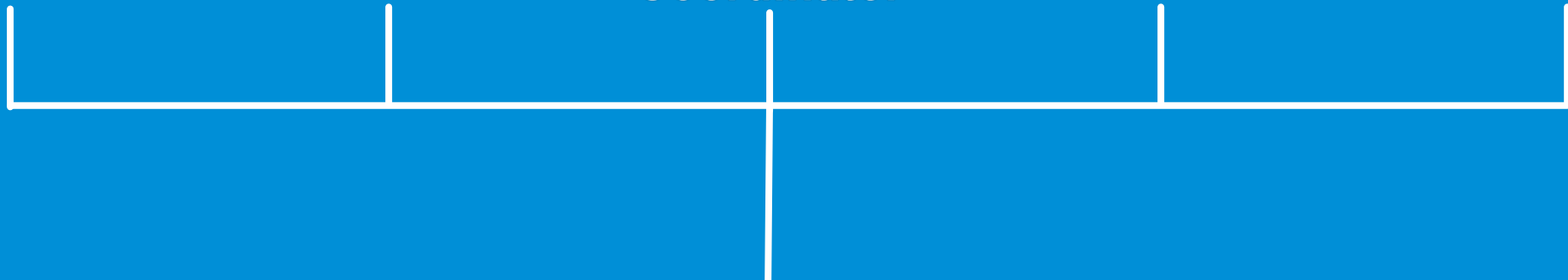
Account
Coordinator



Patient
Advocate



Underwriter





Patient Advocacy Call Center – (855) 306-1099



Wellness &
44N Shopper



COBRA



Online
Administration



Enrollment



Compliance

In 2017, we joined
Michigan-based
Acrisure:

- ▶ 4th largest broker in the United States
- ▶ Led the nation in organic growth over the last 3 years
- ▶ 5,335 Acrisure employees to support us and our clients when needed
- ▶ 82% employee owned

163

Agency Partners

338

Domestic Locations

1219

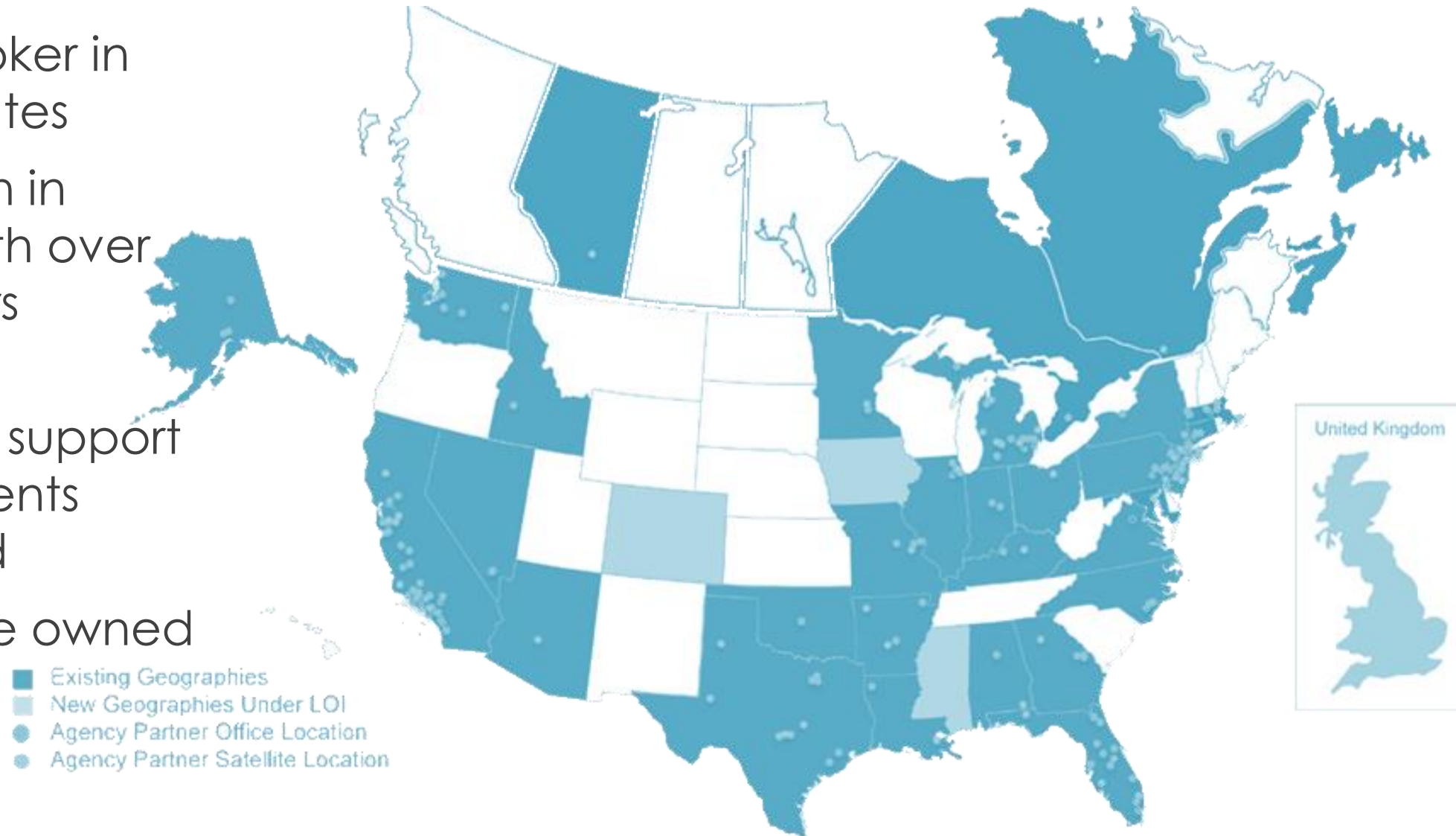
Revenues (MM)

7

International Locations

31

States

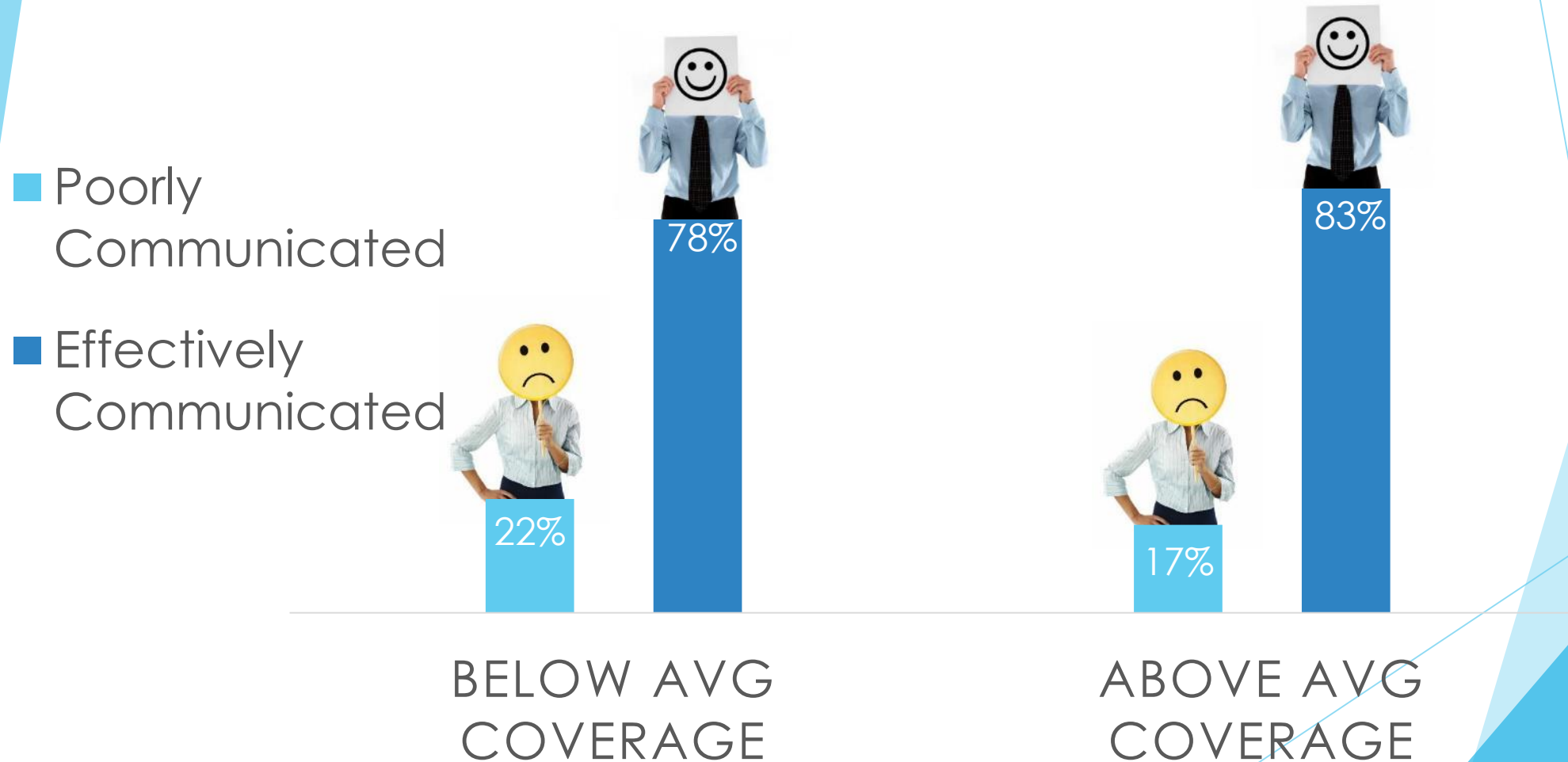


A group of five people are gathered around a table, leaning in and looking at a large sheet of paper. They appear to be engaged in a collaborative activity, possibly a workshop or a team-building exercise. The table is covered with a white cloth and has several colorful sticks (red, green, yellow) and a large sheet of paper with some markings on it. The people are dressed in casual attire, and the overall atmosphere is one of focused collaboration.

GROUP COLLABORATION & EDUCATION

**Team of 100+ healthcare professionals, including. . .
360 Promise, HR Partnering & Compliance Control**

% of employees responding favorably about their benefits



Fully Insured

High Premiums

Low Risk

Carrier Pays

Employee
Out of Pocket

Hybrid

Low Premiums

Low Risk

Carrier Pays

Employer Pays

Employee
Out of Pocket

Self Insured

Low Premiums

High Risk

Carrier Pays

Employer Pays

Employee
Out of Pocket

—see also
def.i.nite.ly /ˈdɛfɪˈnaɪtli/ *ad.* with no doubt
being wrong; certainly: Max knew that he had
been wrong about Diana. | “It’s not worth that much
“No, definitely not!” —see OF COURSE (USAGE)
def.i.ni.tion /ˌdɛfɪˈnɪʃən/ *n.* 1 [C] a phrase
that says exactly what a word, phrase, or
definition in a dictionary | [+ of] No one has
with a satisfactory definition of terrorism
nition if something is a particular
nition, it must have that quality because
type have it: A message that cannot be sent
definition, not effective. 3 [U] the degree
ing such as a picture, sound etc is
the photograph lacks definition
adj 1 [us

T.P.A

third party administrator

	BCBSM Purchased Plan	HRA BCBS
Deductible	4,000/8,000	100/200
Coinsurance	30%	10%
Prescription	15/40/60/80	0/20/20
Office Visit Co-Pay	40/60 Spclst	10
Urgent Care/ Emergency Room	60/250 after ded	10/50 after ded

36 Employee Group
12 Years
\$2,901,010 Net Savings

	BCN Purchased Plan	HRA BCN
Deductible	5,000	500
Coinsurance	20%	0
Prescription	EHIM 6/40/60/80	EHIM 6/40/60/80
Office Visit Co-Pay	30/50 Spclst	30/50 Spclst
Urgent Care/ Emergency Room	50/250 after ded	50/250 after ded

90 Employee Group
10 Years
\$4,640,388 Net Savings

	BCN Purchased Plan	HRA BCN
Deductible	2,000/4,000	0
Coinsurance	20%	0
Prescription	4/15/40/80	4/15/40/80
Office Visit Co-Pay	20/40 Spclst	20/20 Spclst
Urgent Care/ Emergency Room	50/150 after ded	20/100 after ded

38 Employee Group
8 Years
\$2,938,375 Net Savings

Is Self-Funding right for you?

TRADITIONAL FUNDING

- Subject to state mandates
- Limited plan design options
 - No money back
- Financial protection
- Community rated

VS.

SELF-FUNDING

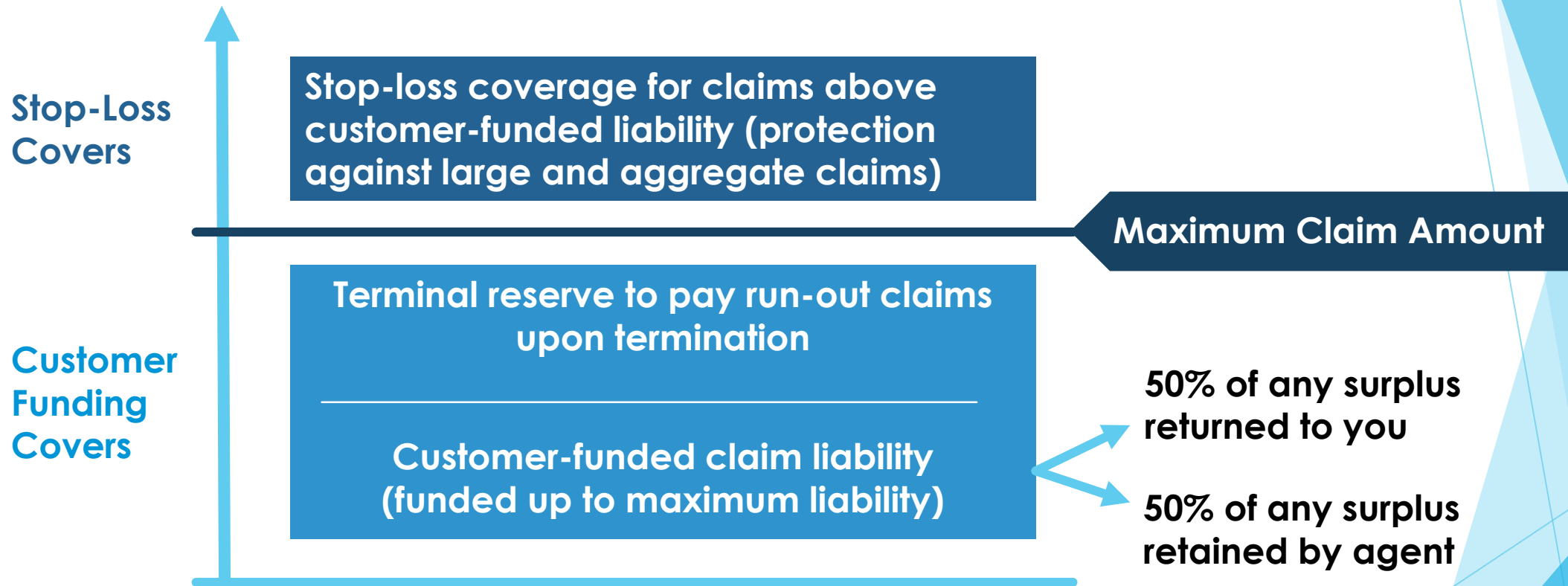
- Generally not subject to state mandates
- More flexible benefit designs
- Opportunity to get money back
 - Financial protection
- Monthly costs reflect expected claims

**Level Funding:
Self-Funding Built for Small Businesses**

LEVEL FUNDED

- ▶ Level funding offers the opportunity for cost savings through a unique funding structure that returns 50% of any surplus at the end of the year to you, when you renew your plan.
- ▶ Level funding can **help** your business:
 - ▶ You could save up to 25% upfront
 - ▶ You could save long-term with surplus sharing benefit
 - ▶ You could save on taxes and Fees
 - ▶ You could save time on healthcare tracking and reporting

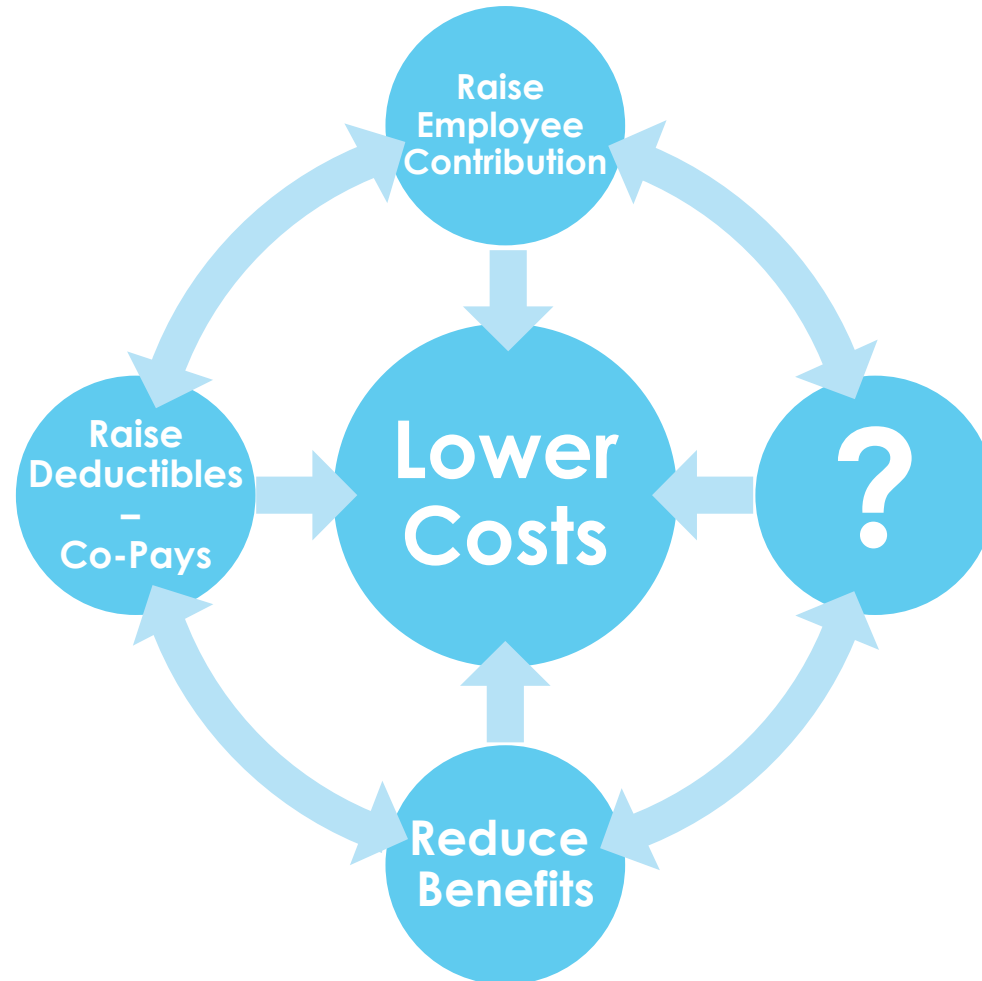
LEVEL FUNDED



Consistent monthly billing based upon enrollment changes. Renewal example for illustrative purposes only.

HEALTH CARE DILEMMA

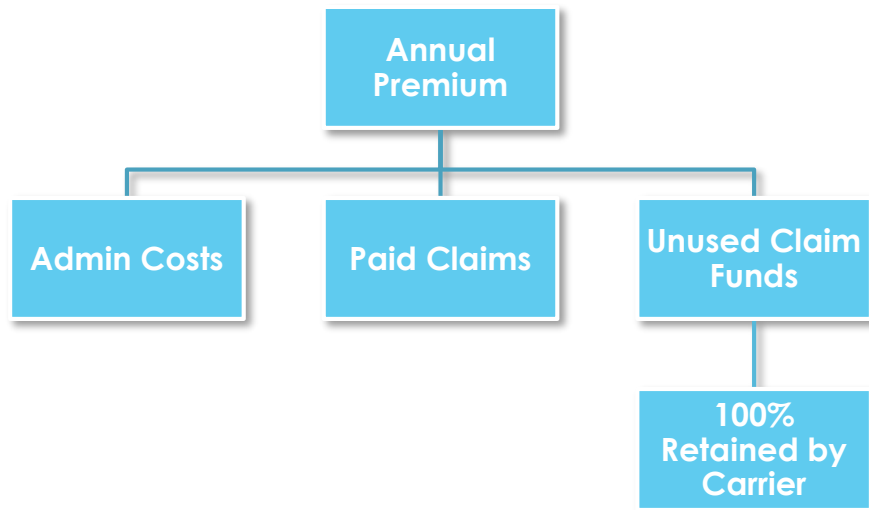
Organizations are forced to make tough choices with rising costs in premiums.



ALTERNATIVE BENEFIT FUNDING

Helping people before they become a claim rather than waiting until they require medical intervention.

Traditional Plan

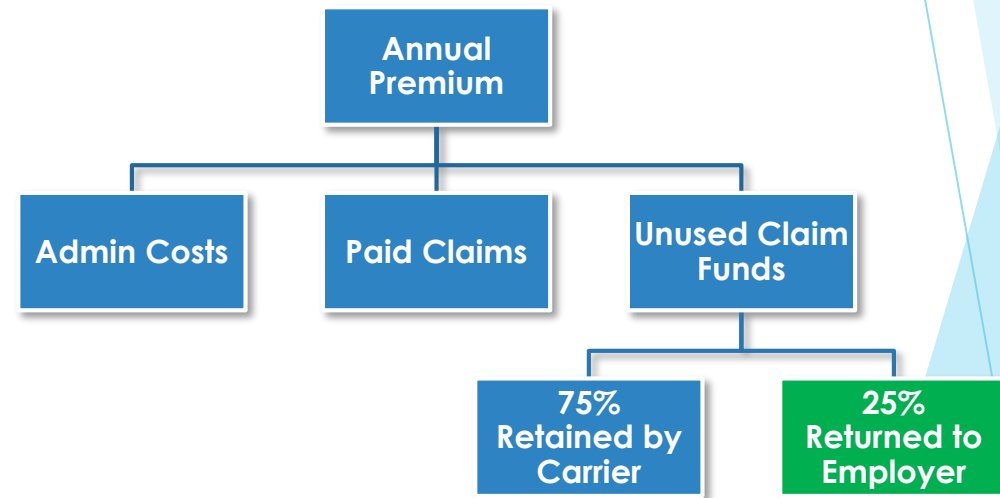


\$500,000
(300,000)

200,000
\$0

Employer's Annual Health Premium
Less Admin Costs & Actual Claims
Retained by Carrier
Funds Returned to Employer

Alternative Funding



\$500,000
(300,000)

150,000
\$50,000

Employer's Annual Health Premium
Less Admin Costs & Actual Claims
75% Retained by Carrier
Funds Returned to Employer

**Don't miss your opportunity to offer retirees
great coverage and decrease overhead
liability!**

	MAPD Enhanced Purchased Plan	Hartford Option
Deductible (Part A)	\$0	\$0
Deductible (Part B)	\$166	\$500
Coinsurance	20% up to \$334	0
Prescription	10/40/40	0/10/40/70
Office Visit Co-Pay	Ded & Coinsurance Applies	0/0 Spclst
Urgent Care/ Emergency Room	Ded & Coinsurance Applies	\$500

49 Employee Group
\$60,417 Net Savings

PHARMACY SERVICES

100%

Specialty drug spend increase over past 5 years.

5,000%

Some non-specialty drugs have increased in cost overnight



PHARMACY SERVICES

On-Staff Pharmacist

- ▶ Daily claim surveillance of
 - ▶ Generic drugs over \$500
 - ▶ Brand/specialty drugs over \$1500
- ▶ Specialty drug alternative reimbursement opportunities allowing employee to receive at \$0
- ▶ International mail order formulary program



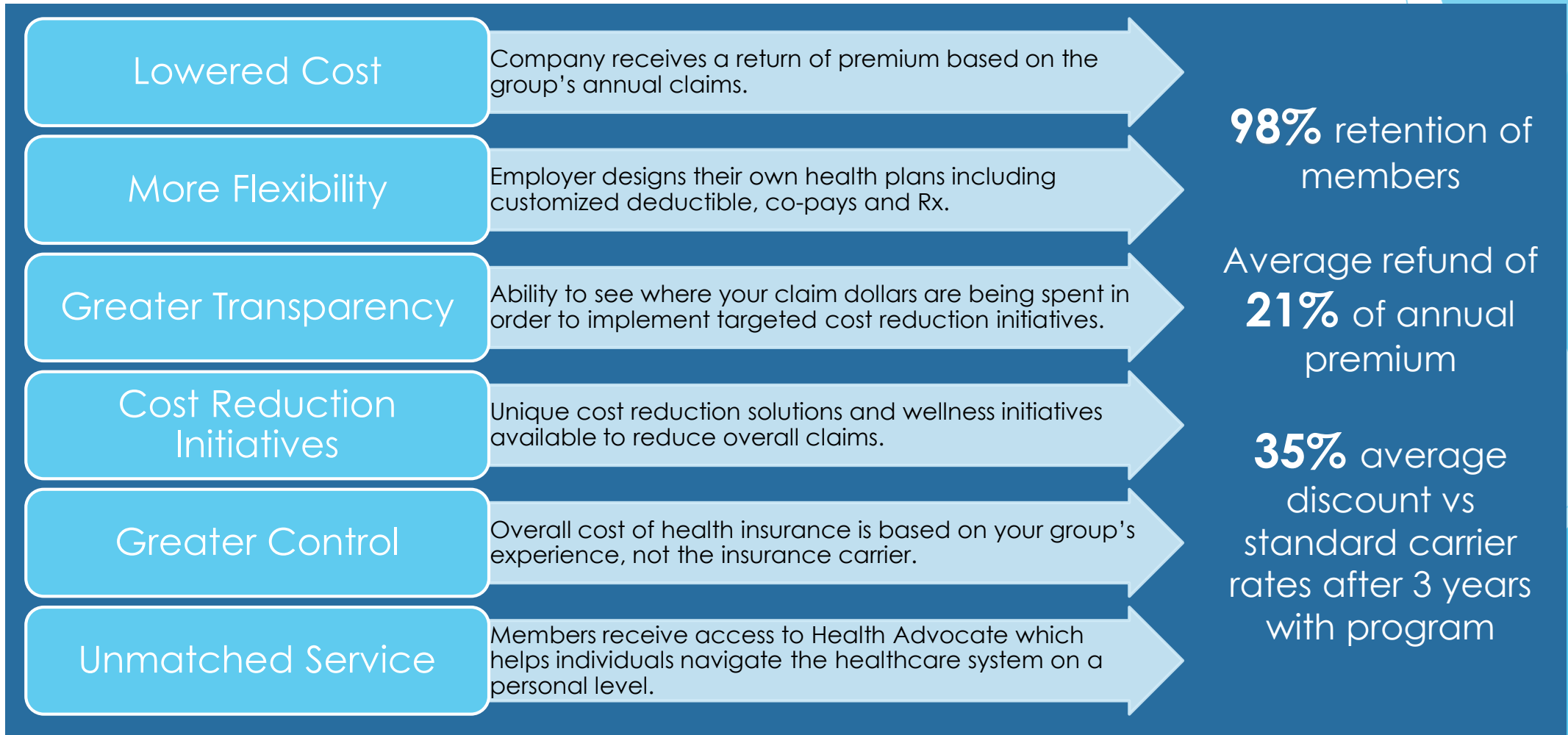
PHARMACY SERVICES

Case Study

2017 Fully Insured Premium – Rx Only	\$1,086,388
2017 Self Funded Rx with Stop Loss	\$ 513,167
Annual Savings Estimate	\$ 573,221
Actual 2017 Rx Costs	\$ 323,860
Actual Savings to Group	\$ 762,528



BETTER HEALTH – BETTER RESULTS – LOWER COST



ALL CORE BENEFITS





CONSUMERISM

Employers biggest challenge and how do you move employees from just HC Users to HC Consumers?

the 44north difference

- ▶ Why Costs Matter
- ▶ PPACA's Unintended Consequences
- ▶ What successful employers are doing today to move from today's healthcare users to tomorrow's healthcare consumers.

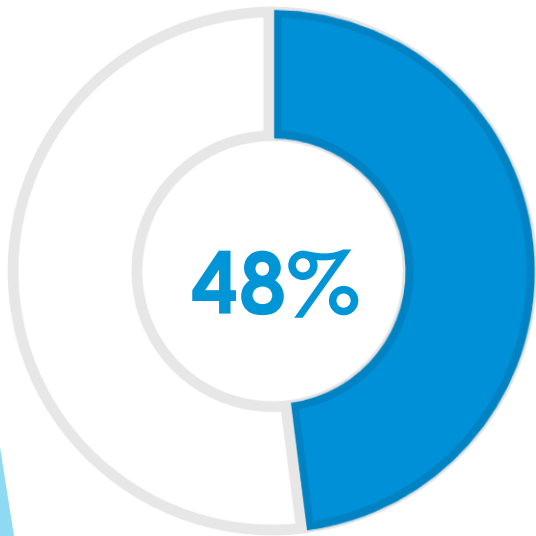
Consumer Wellness Support:

- ▶ Tele-Health On-Site Resource
- ▶ Wellness Program Experts
- ▶ Incentive Management
- ▶ Turnkey Communications
- ▶ Guidance and Support Materials
- ▶ Support Webinars

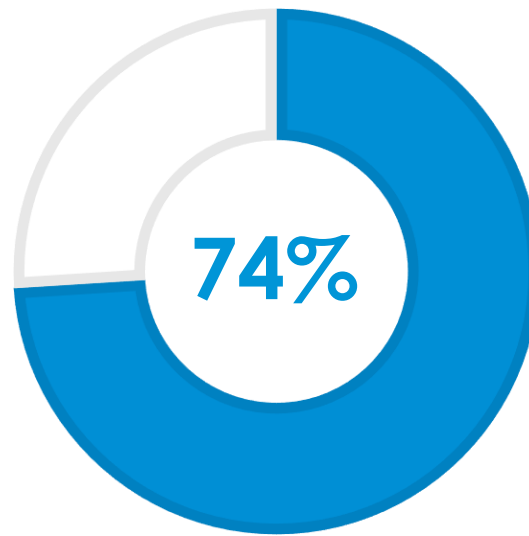


Employers Offering Telemedicine Benefits

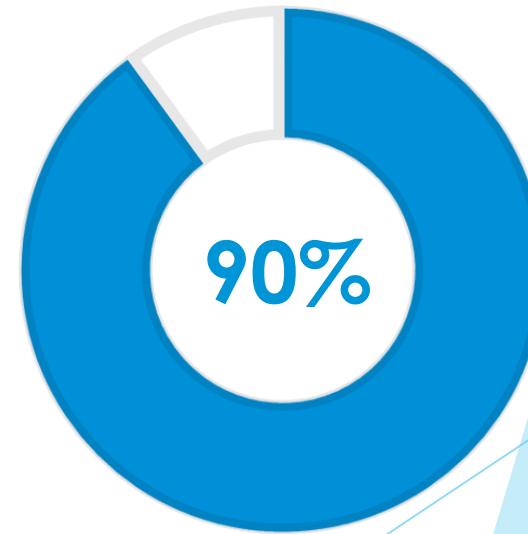
- ▶ How is Telemedicine working for your employees?
- ▶ What % of utilization do carriers see?
- ▶ What can be done to improve results?



2015



2017



2018



Medical Consultations

Adult & Pediatrics

Allergies

Asthma

Bronchitis

Cold & Flu

Fever

Headache

Infections

Behavioral Health

Sleep Disorders

Anxiety &
Depression

PTSD

Smoking Addiction

Substance Abuse

Marriage
Counseling

Second Opinion

A world-class physician will provide an expert second opinion on your current diagnosis and treatment plan.

The process is completed in a matter of days.

2018



SAVINGS YEAR TO DATE

\$517 Savings Per Episode x Visits YTD

\$17,061

ANNUALIZED UTILIZATION

*YTD Visits X 12 / # Months Accrued /
YTD Average Primary Members*

56.9%

AVERAGE RESPONSE TIME

7 minutes

	VISITS		MEMBERSHIP		REGISTRATIONS		MEDICAL HISTORY COMPLETIONS	
	Report Period	YTD	Report Period	YTD AVG	Report Period	YTD	Report Period	Since Inception
Primaries	2	23	54	58	0	3	1	32
Dependents	0	10	48	49	0	5	0	17
Eligible Lives	2	33	102	107	0	8	1	49

2019
ytd



SAVINGS YEAR TO DATE

\$517 Savings Per Episode x Visits YTD

\$11,891

ANNUALIZED UTILIZATION

*YTD Visits X 12 / # Months Accrued /
YTD Average Primary Members*

71.7%

AVERAGE RESPONSE TIME

7 minutes

	VISITS		MEMBERSHIP		REGISTRATIONS		MEDICAL HISTORY COMPLETIONS	
	Report Period	YTD	Report Period	YTD AVG	Report Period	YTD	Report Period	Since Inception
Primaries	2	16	55	55	0	6	0	37
Dependents	0	7	49	49	0	4	0	19
Eligible Lives	2	23	104	104	0	10	0	56

Pricing Transparency

The New York Times



Austin Frakt

THE NEW HEALTH CARE DEC. 19, 2016

In Los Angeles and San Francisco, [one analysis](#) found, mammography prices vary by over a factor of five — from a low of \$128 to almost \$700. Prices for IUDs and lower-back M.R.I.s vary by a factor of three. An [examination of Massachusetts health care prices](#) found nearly a fourfold variation in M.R.I. prices. Despite these differences, even patients motivated to find the lowest price often can't.

Pricing Transparency

- ▶ Why do we know the cost of appliances, furniture, and groceries, but not medications, medical tests and procedures?

Colonoscopy

A	Grand Rapids	\$1,068
B	Zeeland	\$2,910
C	Wyoming	\$879
D	Sheridan	\$4,294

**Savings of
\$3,415!**

MRI – Upper Extremity Joint with contrast

A	Grand Rapids	\$722
B	Zeeland	\$1,863
C	Wyoming, MI	\$778
D	Grand Rapids	\$2,256

**Savings of
\$1,534!**

Tonsillectomy and Adenoidectomy

A	Grand Rapids	\$3,667
B	Zeeland	\$4,328
C	Byron Center	\$3,038
D	Grand Rapids	\$7,899

**Savings of
\$4,861!**

Prescriptions

Chole		Annual sales #3)
CVS		\$180
Rite Aid		\$137
Wal-Mart		\$58
Indepen		\$48
Costco		\$15

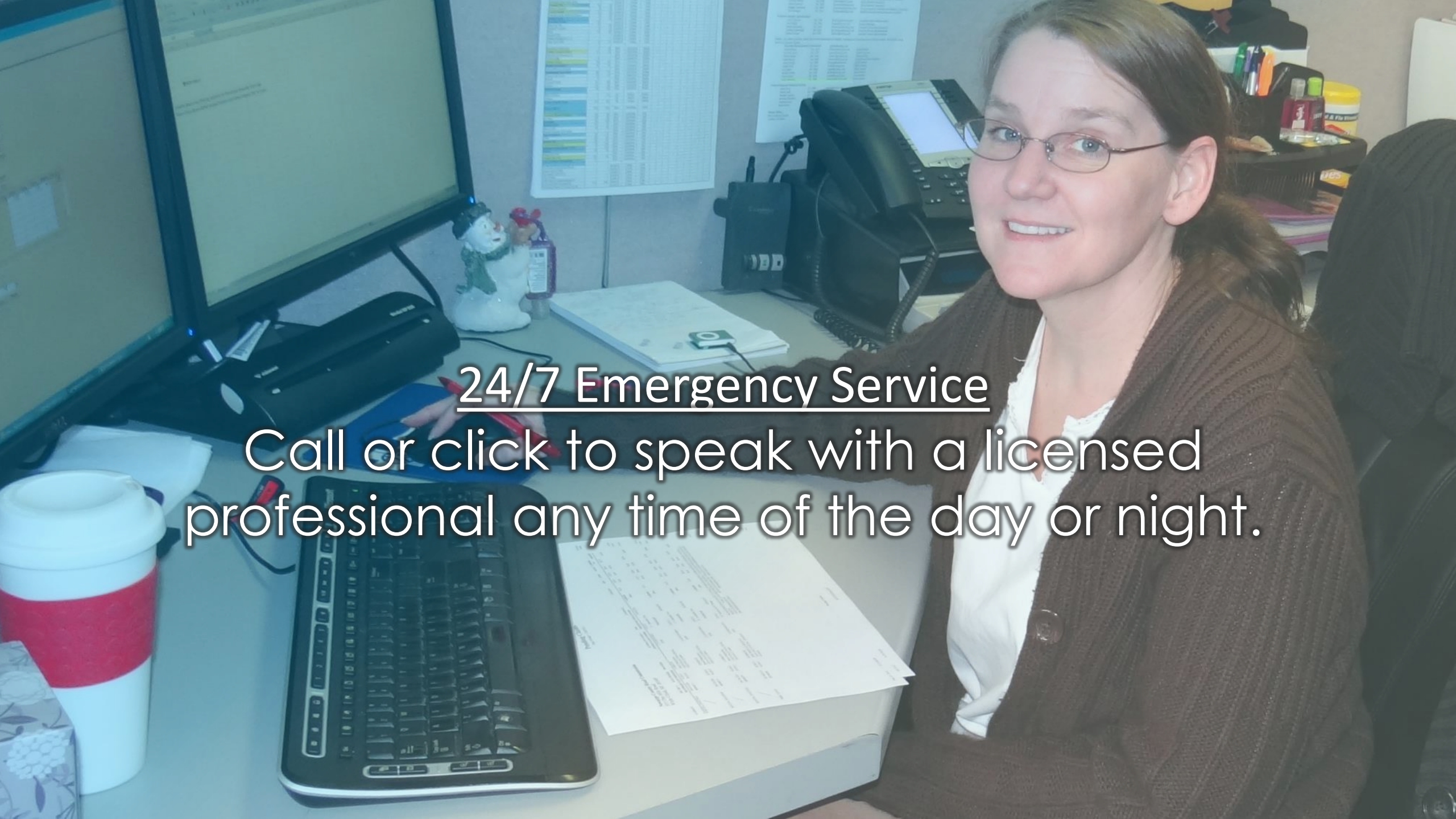
Amazon is in exploratory talks with generic-drug makers
cnbc.com

Key Differentiators

- ▶ \$0 Consult medical Model
- ▶ Behavioral Health
- ▶ Nation-wide Centers of Excellence 2nd Opinion
- ▶ On-site registration clinic
- ▶ Consults Don't Show On Health Plan Utilization

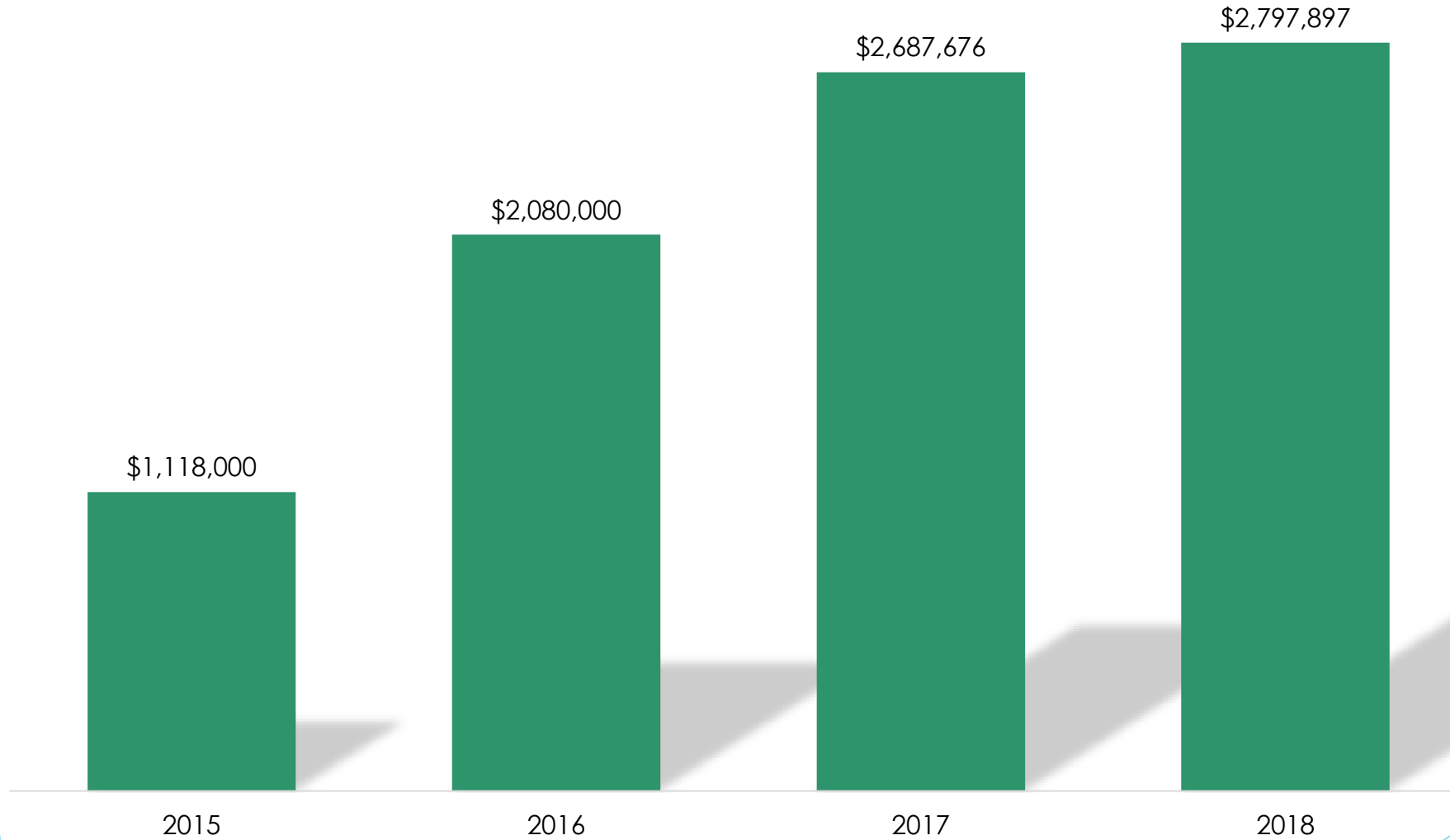
the 44north difference





24/7 Emergency Service
Call or click to speak with a licensed
professional any time of the day or night.

Member Claims Savings



A photograph of an office environment with several people working at their desks. In the foreground, a woman is seated at a desk with two computer monitors, looking at the screen. To her left, another person is seated at a desk with a large monitor displaying a tulip image. In the background, another person is visible at a desk. The office has cubicles, a door with a window, and various office supplies. The text "ADMINISTRATIVE SIMPLIFICATION" is overlaid in the center of the image.

ADMINISTRATIVE SIMPLIFICATION



My Profile

Edit my profile

Edit dependent profiles

Change my address

My Family

Marketing Demo

Life Events

Birth

Marriage

Civil Union

All other Life Events

My Forms

W-4

PS

Enrollment Form

Enrollment Confirmation Form

Enrollment Worksheet

Update Demographic Information

Change Coverage for Life Events

Post Required Notices



My Benefits Effective Date: 8/11/2017

You have no active benefits as of 8/11/2017.







Tired of the same old Blues options?
What if more options with BCBS existed?

THANK YOU!

Do you have any questions?

John O'Connor
joconnor@44n.com
855-306-1099 Ext. 1020

