



WHAT THE HEALTHCARE?!?
 Cost, Budget, and Transparency Trends in Healthcare
 October 4, 2023



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Today's Discussion



- ABOUT ME
- COST AND BUDGET TRENDS FOR OHIO GOVERNMENTS
- 2024 OUTLOOK FOR HEALTHCARE COSTS
- COST MANAGEMENT THROUGH TRANSPARENCY & INNOVATION



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About Me

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Justin Wiedle, CPA | McGohan Brabender

jwiedle@mcgohanbrabender.com

Consultant
 Direct: 937.260.4349
 Mobile: 419.215.9820

Professional Experience:

- Benefits Consultant
- Assistant Finance Director / Analyst
- Financial Analyst
- Auditor & Tax Preparer

Education/Licenses:

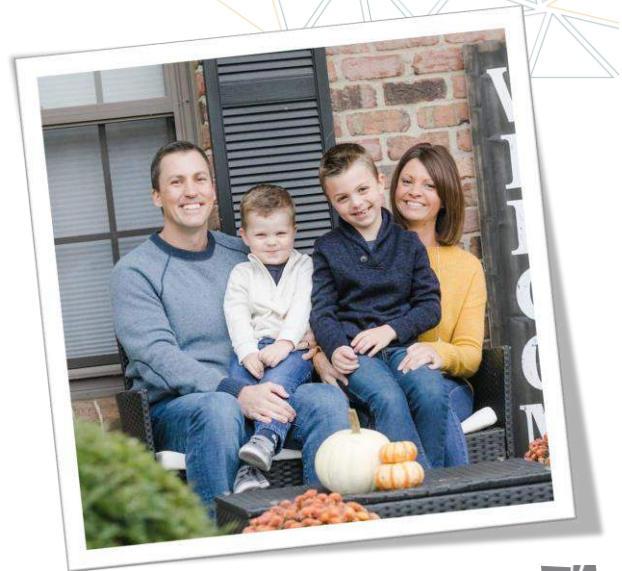
- BS & MS in Accountancy from Wright State
- Certified Public Accountant
- Ohio School Treasurer License (Expired)
- Ohio Life & Health Insurance

Community Involvement:

- Springboro Schools Finance Committee
- Springboro Schools Levy Committee
- Board of Directors – Crayons to Classrooms

Personal:

- Married, Two Kids, Dog, Bad at Golf



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BETTER IDEAS, BETTER HEALTH | PROUD TO BE EMPLOYEE-OWNED

BY THE NUMBERS

1500+ Employers
 160,000+ Employees
 250,000+ Belly Buttons

\$1.5+ Billion
 In Health Care Spending

92.4%
 Client Retention [2022]

Small Employers - 90.8%
 Mid-Sized Employers - 90.4%
 Larger Employers - 93.6%



6 Offices

200+ Associates

4 Highly Specialized Disciplines

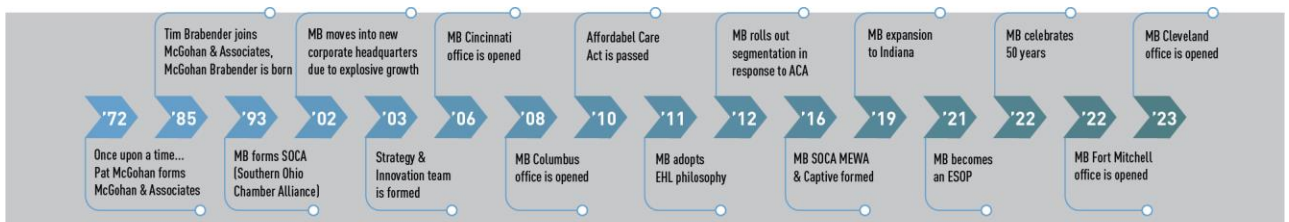
10 MB Advocate Team Members

6 Strategy and Innovation Team Members

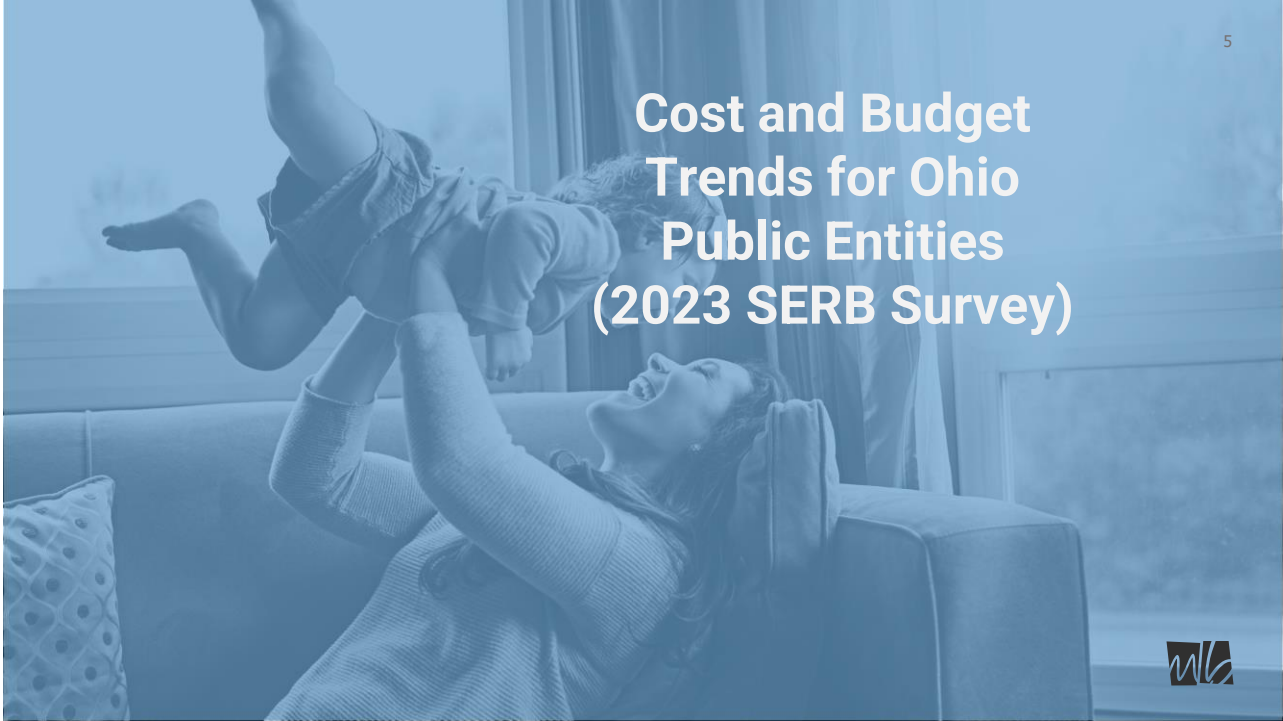
2 Compliance Attorneys

26 Data & Analytics Team Members

OUR TIMELINE | 50 YEARS IN BUSINESS

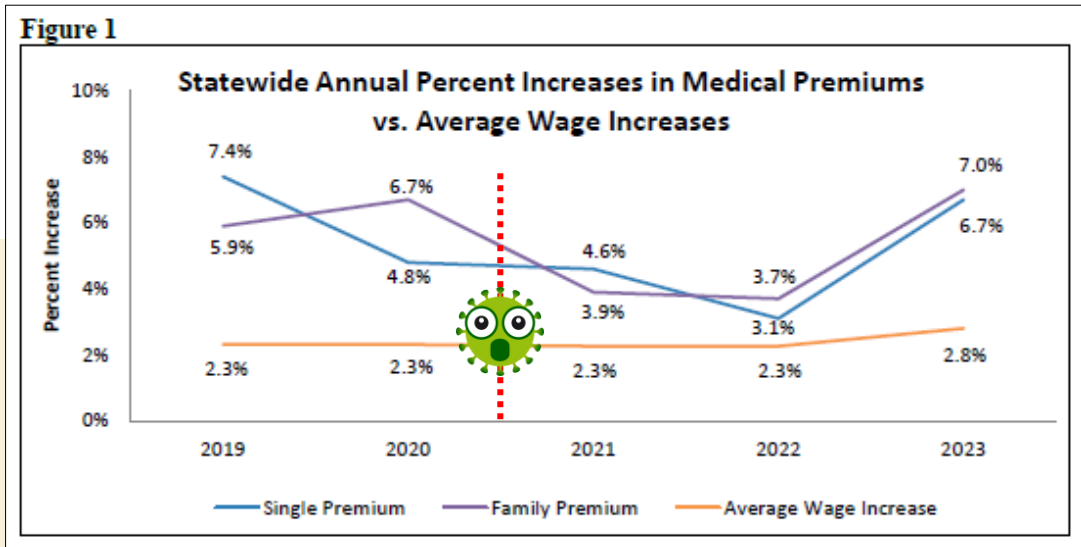


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MEDICAL PREMIUMS VS WAGES



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PREMIUM TRENDS – SINGLE AND FAMILY PLANS

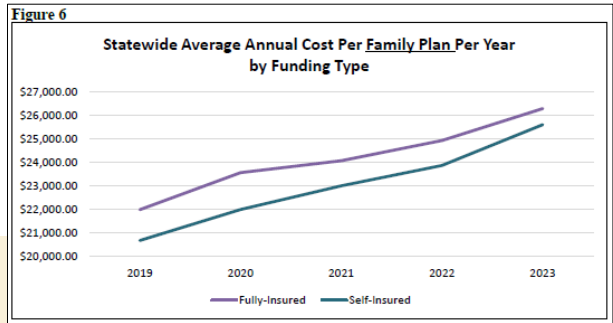
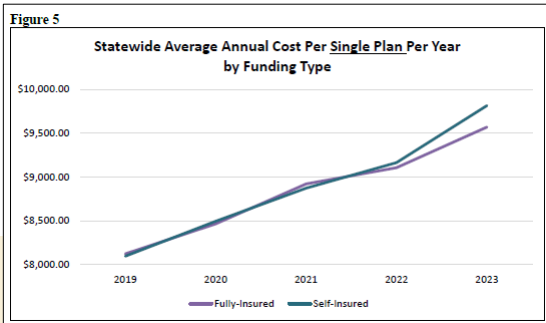


Table 10
Statewide Average Annual Cost Per Year by Funding Type (SINGLE)

Comparison Group	2019	2020	2021	2022	2023	n
Fully-Insured	\$ 8,124	\$ 8,466	\$ 8,922	\$ 9,106	\$ 9,570	447
Self-Insured	\$ 8,097	\$ 8,496	\$ 8,873	\$ 9,165	\$ 9,815	1,546

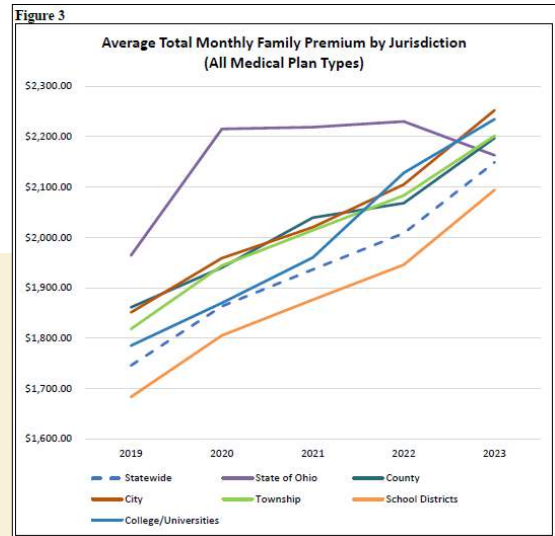
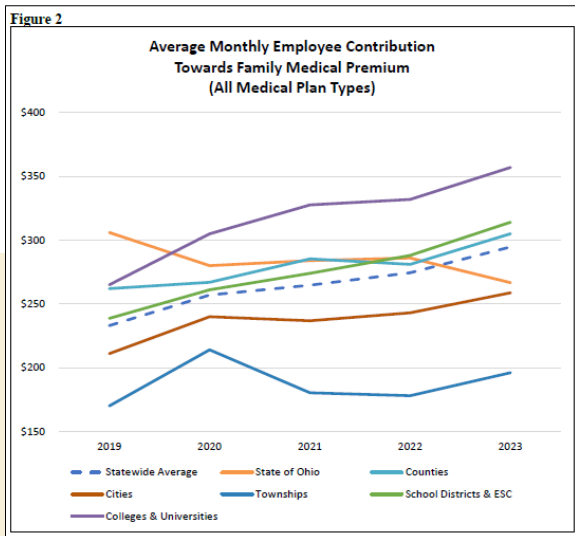
Note: n: number of plans.

Table 11
Statewide Average Annual Cost Per Year by Funding Type (FAMILY)

Comparison Group	2019	2020	2021	2022	2023	n
Fully-Insured	\$ 21,997	\$ 23,571	\$ 24,080	\$ 24,940	\$ 26,299	447
Self-Insured	\$ 20,685	\$ 22,002	\$ 23,009	\$ 23,878	\$ 25,614	1,546

Note: n: number of plans.

PREMIUM TRENDS – EMPLOYEE CONTRIBUTIONS



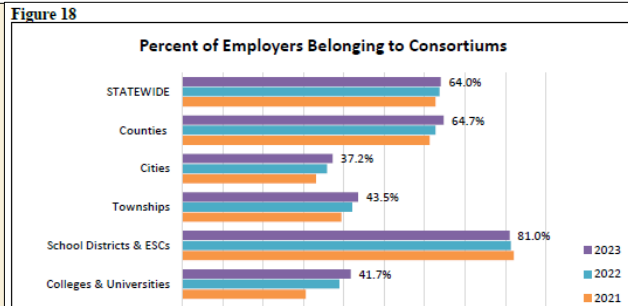
COSTS: CONSORTIUMS VS NON-CONSORTIUMS

Table 45

**Average Total Monthly Premium Cost
By Consortium Membership**

	Consortium Member	Consortium Non-Member
Single	\$ 812.94	\$ 815.43
Family	\$ 2,128.39	\$ 2,184.88
Number of plans (n)	1,290	703

Note: Consortium examples: joint purchasing arrangement, council of government, cooperative, and multiple employer welfare agreement (MEWA).
Note: Excludes carved-out prescription premiums.
Note: n: number of plans.



OPT-OUTS AND SPOUSAL RESTRICTIONS

OPT-OUT INCENTIVES

Table 46 shows the average number of employers offering opt-out monetary incentives to employees who waive medical coverage by jurisdiction.

Table 46

Opt-Out Incentive Offered by Jurisdiction

Comparison Group	Employers Offering Opt-Out Incentive	n
STATEWIDE	47.3%	1,238
State of Ohio	0.0%	1
Counties	24.7%	85
Cities	52.6%	234
Townships	30.5%	131
School Districts & ESCs	53.2%	684
Colleges & Universities	33.3%	36
Fire Districts	44.4%	18
Metro Housing Authorities	32.4%	34
Port Authorities	50.0%	4
Regional Transit Authorities	45.5%	11

Note: n: number of employers.

Table 47 highlights the average, minimum, and maximum incentive amount offered to employees for single and family plans. The incentive amount may vary depending on whether the person is eligible for single or family coverage.

Table 47

Incentive Offered to Employees for Opting Out of Medical Coverage

Opt-Out Type	Average Incentive	Minimum Incentive	Maximum Incentive	n
Single	\$ 1,990.99	\$ 200.00	\$ 11,800.00	553
Family	\$ 2,916.97	\$ 200.00	\$ 12,855.00	553

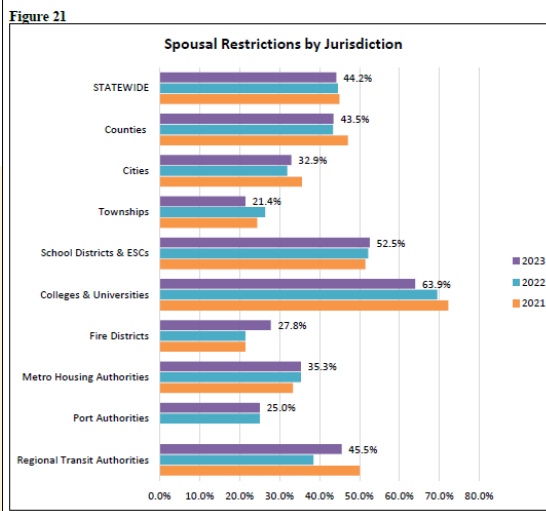
Note: n: number of employers.

This year's insurance survey submissions reported that 21,989 public employees across the state accepted the employer-offered incentive to opt out of medical coverage.

SPOUSAL RESTRICTIONS

Over 44% of employers who completed the survey reported having a spousal stipulation for employees whose spouses have other means of acquiring medical coverage.

Figure 21 highlights the percentage of employers with a spousal restriction by jurisdiction.



SERB PLAN DESIGN BENCHMARKS

2023 Health Plan Benchmarking - PPO

	PPO PREMIUM SPLIT (\$)							
	SINGLE				FAMILY			
	ER	EE	TOTAL	PEPY	ER	EE	TOTAL	PEPY
Statewide	751	119	870	10,437	1,908	329	2,237	26,842
Cities	776	106	882	10,584	2,069	284	2,352	28,227
Cities <25,000	790	105	895	10,739	2,100	289	2,389	28,669
Cities 25,000-99,999	757	107	865	10,376	2,059	278	2,337	28,044
Cities >100,000	699	104	802	9,629	1,579	248	1,827	21,925
Townships	988	90	1,079	12,946	2,152	243	2,395	28,740
Townships <10,000	1,094	51	1,145	12,669	2,154	148	2,302	27,623
Townships 10,000-29,999	1,064	124	1,188	14,255	2,195	310	2,505	30,060
Townships >30,000	720	92	812	9,741	2,016	310	2,326	27,906

	PPO PREMIUM SPLIT (%)					
	SINGLE			FAMILY		
	ER	EE	TOTAL	ER	EE	TOTAL
Statewide	86%	14%	100%	86%	15%	100%
Cities	88%	12%	100%	88%	13%	100%
Cities <25,000	88%	12%	100%	87%	13%	100%
Cities 25,000-99,999	88%	12%	100%	88%	12%	100%
Cities >100,000	87%	13%	100%	85%	15%	100%
Townships	91%	9%	100%	90%	10%	100%
Townships <10,000	94%	6%	100%	94%	6%	100%
Townships 10,000-29,999	89%	11%	100%	89%	12%	100%
Townships >30,000	89%	11%	100%	87%	13%	100%

	PPO IN-NETWORK DED.		PPO NON-NETWORK DED.	
	SINGLE	FAMILY	SINGLE	FAMILY
Statewide	436	1,060	1,182	2,403
Cities	436	892	1,119	2,314
Townships	418	910	2,372	4,806

	PPO IN-NETWORK OOPM		PPO NON-NETWORK OOPM	
	SINGLE AVG.	FAM AVG.	SINGLE AVG.	FAM AVG.
Statewide	2,666	5,365	4,244	8,364
Cities	2,171	4,339	4,335	8,615
Townships	2,399	4,813	7,430	15,030

2023 Health Plan Benchmarking - HDHP

	HDHP PREMIUM SPLIT (\$)							
	SINGLE				FAMILY			
	ER	EE	TOTAL	PEPY	ER	EE	TOTAL	PEPY
Statewide	669	88	757	9,084	1,800	262	2,062	24,743
Cities	679	80	759	9,108	1,915	238	2,153	25,833
Cities <25,000	669	77	746	8,951	1,914	235	2,149	25,785
Cities 25,000-99,999	714	91	805	9,660	1,951	257	2,208	26,495
Cities >100,000	783	67	850	10,195	1,532	180	1,711	20,538
Townships	677	61	739	8,864	1,961	185	2,147	25,760
Townships <10,000	716	58	775	9,286	2,035	171	2,206	26,471
Townships 10,000-29,999	665	54	718	8,619	1,971	164	2,135	25,622
Townships >30,000	578	86	664	7,965	1,706	277	1,983	23,794

	HDHP PREMIUM SPLIT (%)					
	SINGLE			FAMILY		
	ER	EE	TOTAL	ER	EE	TOTAL
Statewide	89%	12%	100%	88%	13%	100%
Cities	90%	11%	100%	89%	11%	100%
Cities <25,000	90%	10%	100%	89%	11%	100%
Cities 25,000-99,999	89%	11%	100%	88%	12%	100%
Cities >100,000	92%	8%	100%	89%	11%	100%
Townships	91%	9%	100%	92%	8%	100%
Townships <10,000	92%	8%	100%	93%	7%	100%
Townships 10,000-29,999	93%	8%	100%	92%	8%	100%
Townships >30,000	88%	12%	100%	86%	14%	100%

	HDHP IN-NETWORK DED.		HDHP NON-NETWORK DED.	
	SINGLE	FAMILY	SINGLE	FAMILY
Statewide	2,978	5,658	5,732	11,297
Cities	2,900	5,774	6,053	11,996
Townships	3,834	7,710	7,928	16,093

	HDHP IN-NETWORK OOPM		HDHP NON-NETWORK OOPM	
	SINGLE AVG.	FAM AVG.	SINGLE AVG.	FAM AVG.
Statewide	4,207	8,404	9,440	18,963
Cities	3,971	7,898	10,866	20,660
Townships	4,779	9,745	12,273	26,660

	HSA EMPLOYER CONTRIBUTIONS			
	SINGLE AVG.	SINGLE MIN.	SINGLE MAX.	FAM MAX.
Statewide	1,316	200	7,000	2,555
Cities	1,514	250	3,850	3,045
Townships	2,261	500	7,000	4,301



2024 Healthcare Cost Outlook



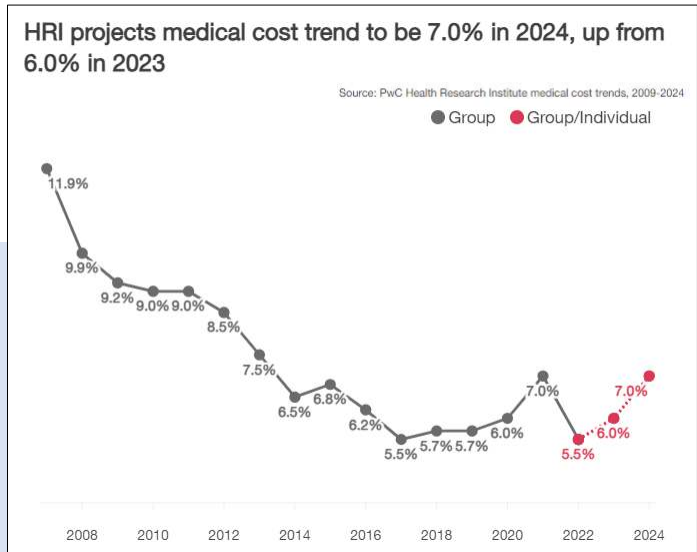
2024 OUTLOOK – BEHIND THE NUMBERS

The healthcare industry is under pressure from:

- high inflation
- rising wages & clinical workforce shortages
- pharmacy and other costs

Also:

- ongoing negotiations between insurance companies and hospitals
- hospital profit margins continue to erode
- health plans feeling the squeeze of higher pharmacy costs, both new and existing drugs



2024 OUTLOOK

In addition to inflation’s impact on your 2024 renewal, your renewal will also depend on specific circumstances such as:

- **Funding Method** – fully-insured, level funded, consortium/MEWA, self-funded
- **Claims History** – medical and pharmacy claims, ongoing chronic conditions
- **Current Census & Demographics** – average age and gender

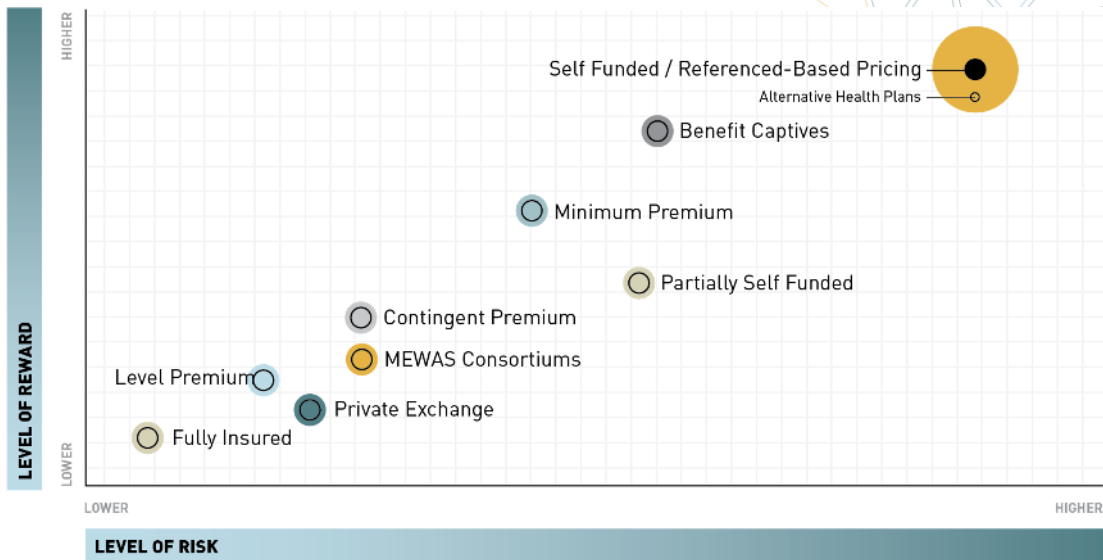
As shown in the SERB survey, **7%+** renewals can be expected to continue.

Insurance carriers are using **10-15%** trend increases in their underwriting projections.

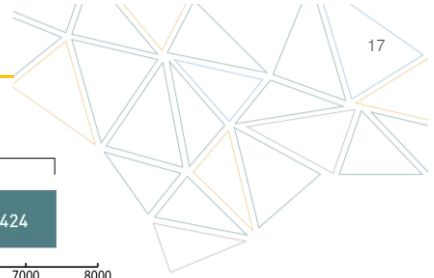




Benefits Funding Spectrum



Lack of Transparency Drives Waste



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In-Network Prices Can Vary by 300%



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The Healthcare Ecosystem

18



18

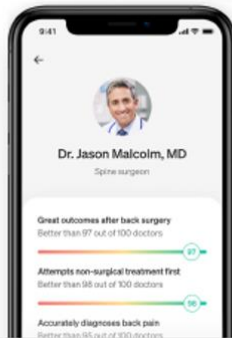


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HOW GARNER WORKS

1

We **identify** the Top Doctors in a local geography based on 45B claim records and 500+ best practice metrics.



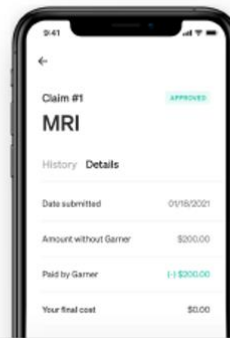
2

Our concierge service makes it easy for employees to **find** the best doctor for them.



3

Via an innovative HRA incentive account, we **cover** out-of-pocket expenses for engaged employees seeing Top Doctors.



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How does Surest health insurance work?

<p>Full coverage from Day One</p> <p>There is no deductible and no coinsurance. Without these in the way, members get full coverage from Day One – an attractive alternative to high deductible health plans.</p>
<p>Cost clarity</p> <p>Members can check upfront costs and compare options in advance of making an appointment. All services have prices. This visibility can lead to savings opportunities.</p>
<p>Lower costs an indication of higher-value care</p> <p>The plan features a unique pricing model with lower costs an indication of higher-value care, based on quality, efficiency, and overall effectiveness of care.</p>
<p>Opportunities to save</p> <p>The design can help employers contain – and even reduce – costs without shifting the financial burden onto employees.</p>
<p>Members like and understand the plan</p> <p>The experience was designed to be easy to use and easy to understand, with cost and coverage answers readily available on the Surest app or website. Surest Member Services is just a call, email, or chat away.</p>



Surest members choose high-value care options. **Fewer than eight out of 100 members used the least efficient providers¹**



Members spent 54% less in out-of-pocket costs in 2022.²



Surest members access more convenient care, including a **7X increase in virtual visits,³ 6% fewer emergency department visits⁴ and 16% fewer inpatient surgeries.⁵**



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Major medical employer coverage for large groups (51+ employees)

Employers pay less for coverage that offers their employees more

Coverage that is a win-win for businesses and their teams.

Employees enjoy rich major medical coverage with unprecedented access: Insurance that isn't restricted by networks and offers game changing transparency.

Companies save 20% or more on premiums versus traditional plans.*



See any doctor



No surprise bills



Robust coverage

Plan design flexibility

- Employers can select up to 4 plan designs
- HSA or HRA compatible options
- Individual and family deductibles can range
- First dollar coverage options†

Hassle-free employer onboarding

Sidecar Health® is compatible with major benefit administration platforms making it easier to onboard members.






ICHRA - Individual Coverage Health Reimbursement Arrangements



ICHRA - Individual Coverage Health Reimbursement Arrangements

What is an ICHRA?

ICHRA stands for Individual Coverage Health Reimbursement Arrangement. Based on new federal rules, this option became available in 2019.

-  Enables employers to reimburse employees tax-free for health insurance premiums
-  Employers set an allowance and employees choose the plan that fits their needs
-  Federal government projects nearly 1M employers will move to this model this decade

Note: These plans do not cover certain medications and often have a very limited network of providers

ADVANTAGES OF AN ICHRA

FOR EMPLOYERS:

Cost Control:

Set your budget & cap spending

Risk Management:

No more carrier renewals

Participation:

No minimum requirements

Compliance:

Satisfies employer mandate

Savings:

Keep unclaimed reimbursements

FOR EMPLOYEES:

Choice:

Pick health plan to meet needs

Comprehensive Coverage:

Like group plans

Portability:

Keep their health insurance

Control:

Secure the right level of coverage





SUPPLEMENTAL HEALTH INSURANCE THAT EASES THE FINANCIAL IMPACT OF A WIDE RANGE OF UNEXPECTED MEDICAL EXPENSES— IN JUST ONE PLAN.

60%

of Americans would have to borrow to cover an unexpected \$1000 expense

Source: Bankrate, Jan. 2020



More coverage. Less hassle.

- One insurance plan that covers 13,000+ conditions
- Benefits triggered solely by ICD-10 diagnosis code
- No accident or hospital admission requirements
- No specific treatments are required to qualify for benefits
- Benefits payable upon initial diagnosis and during active treatment
- Employer-funded options to enhance your health benefits strategy
- All-in-one supplemental product simplifies your benefits program
- Can be implemented with or without major medical insurance

- No exclusions for pre-existing conditions
- Plans are guaranteed issue, no medical underwriting—ever
- Coverage applies on- and off-the-job
- No coordination with other insurance
- Coverage is portable at group rates
- Flexible HSA compatible solution
- Cash benefits paid within 72 hours of completed claim



HOW DOES BREAST CANCER EARLY DETECTION TECHNOLOGY WORK?



Our technology partner provides a breast examination that will change how women view early detection screenings. Our technology is portable, allowing employers to bring the examination to their employees who need it most in a private setting at their workplace. This is especially essential for employers who care about closing the gap for underserved populations who have lower screening rates.

The examination is accurate, quick, and painless without involving radiation or waiting for results.

Not only is this breast exam less expensive than any other detection method, detecting breast cancer at early stages reduces suffering, cancer treatment costs, and even death.

Stage 1 cancer has a 98 percent 5-year survival rate, and treatment costs about \$17,000. Stage 4 cancer only has a 22 percent 5-year survival rate, and treatment costs about \$350,000. Early detection makes a vastly big difference for the lives of your employees.



Thank you!



Justin Wiedle, CPA | McGohan Brabender
jwiedle@mcgohanbrabender.com
Consultant
Direct: 937.260.4349
Mobile: 419.215.9820

