



# **GameChanger Advanced Healthcare Strategies**

May 3, 2023 | 8:00 – 9:00 a.m.

# Introductions

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**Consolidated High School District 230**  
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**2023** ANNUAL  
CONFERENCE

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# 2022 Milliman Medical Index

## LOOKING BACK



The year 2020 marked the first time in the history of the MMI that healthcare costs decreased year over year. But this reprieve in healthcare cost increases would be short-lived. Healthcare costs came roaring back with a 13.2% trend. This rate, driven by a forecasted rebound in healthcare utilization, is higher than historical healthcare cost increases and gross domestic product (GDP) growth over the past five years.<sup>3</sup> The higher 3.1% annual trend from 2019 through 2021 is similar to historical MMI trends observed before the COVID-19 pandemic.

## LOOKING AHEAD



We project healthcare costs will grow by approximately 4.6% for the MMI family from 2021 to 2022. As we work our way through 2022, the U.S. healthcare sector continues to face an elevated level of uncertainty due to COVID-19 and evolving macroeconomic conditions. Unit cost inflation, technology, the COVID-19 pandemic, and new variation by geography all contribute to this uncertainty.

### FIGURE 1: ANNUAL HEALTHCARE COST FOR MMI FAMILY OF FOUR



### FIGURE 7: EMPLOYER AND EMPLOYEE PORTIONS OF SPENDING FOR AVERAGE PERSON AND MMI FAMILY OF FOUR

	AVERAGE PERSON	MMI FAMILY OF FOUR
EMPLOYER CONTRIBUTION	\$3,984	\$17,577
EMPLOYEE PORTION		
EMPLOYEE CONTRIBUTION	\$1,798	\$7,934
EMPLOYEE OUT-OF-POCKET	\$1,077	\$4,750
EMPLOYEE TOTAL	\$2,875	\$12,683



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# Advanced Healthcare Strategies

- ▶ This presentation provides high-level information on advanced and supplemental strategies/solutions designed to **reduce costs, improve outcomes and enhance member satisfaction** of the benefits program.
- ▶ The **goal is to gauge interest and set direction** as part of the strategic planning process.
- ▶ Categories:

- **High Risk / High Cost**

Focus on the 5% of members driving 50-60% of the costs.

- **Value Based Pricing**

Linking provider payment to improved performance.

- **Primary Care**

Effective primary care can lead to improved outcomes, better managed chronic conditions and fewer late-stage conditions.

- **Healthcare Literacy & Engagement**

Member healthcare literacy and engagement is critical to the success of a high performing health plan.

- **Pharmaceutical**

Pharmacy is the least transparent and fastest growing component of healthcare costs.

- **Risk Management**

Tools to improve risk/reward return.

- **Miscellaneous Strategies**

Additional strategies to consider.



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# Advanced Healthcare Strategies

## ▶ Three tiers of categories:

### ▪ **Foundational**

Fundamental solutions available to most employers.

### ▪ **Leading**

The next level of accelerated benefit solutions.

### ▪ **Progressive**

Cutting edge solutions. Some with great possibilities but new to market, unproven ROI and/or extremely disruptive.



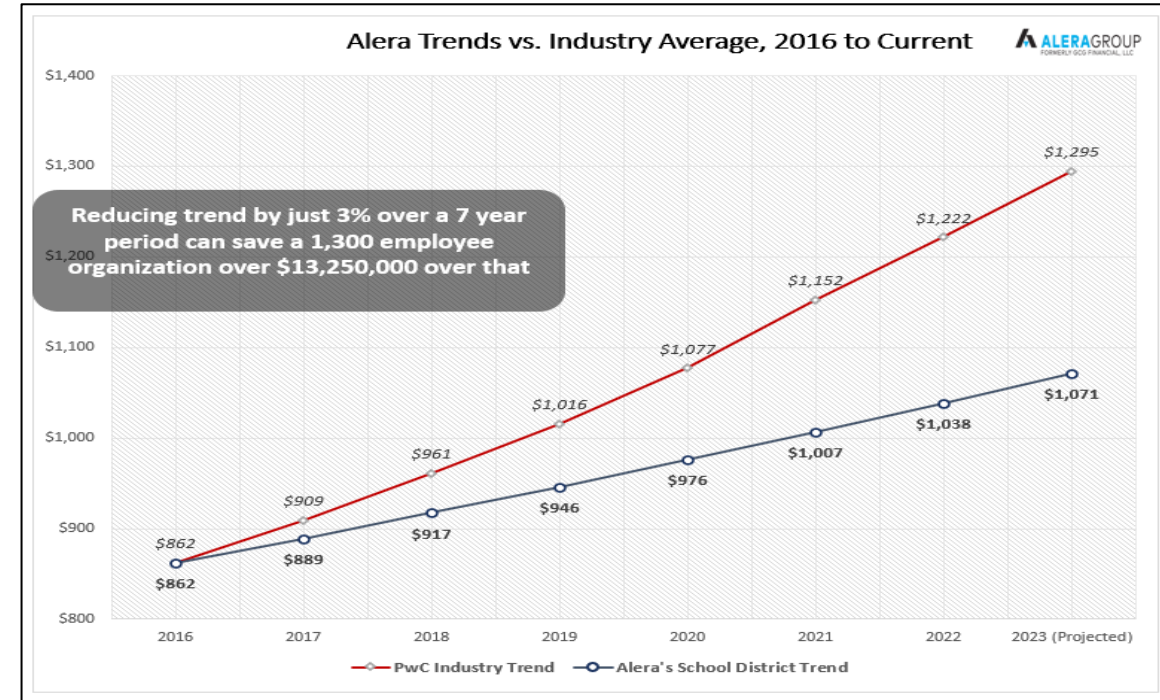
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# GameChanger Trend Analysis

What is your per employee per month Cost

Historical Annual PEPM Costs & Trend									
Company	2016	2017	2018	2019	2020	2021	2022	2023 (Projected)	Average Annual Trend
District A	\$1,140	\$1,083	\$1,193	\$1,045	\$1,077	\$1,053	\$1,158	\$1,331	2.2%
District B	\$1,112	\$1,186	\$1,092	\$1,223	\$1,128	\$1,182	\$1,243	\$1,318	2.5%
District C	\$1,191	\$1,113	\$1,318	\$1,417	\$1,257	\$1,452	\$1,478	\$1,523	3.6%
District D	\$1,079	\$1,089	\$1,122	\$1,101	\$1,094	\$1,141	\$1,230	\$1,295	2.6%
District E	--	--	--	\$1,417	\$1,356	\$1,282	\$1,375	\$1,539	2.1%
District F	\$1,073	\$1,085	\$1,177	\$1,180	\$1,177	\$1,405	\$1,335	\$1,469	4.6%
District H	\$849	\$872	\$889	\$932	\$938	\$965	\$969	\$998	2.3%
District I	--	--	--	--	\$1,311	\$1,552	\$1,535	\$1,612	5.3%
6 Year Study - Average Group Trend									3.2%



Historical Annual PEPM Costs & Trend										
Metric	Trend Source	2016	2017	2018	2019	2020	2021	2022	2023 (Projected)	Average Annual Trend
2016 Start	PwC Industry Trend	\$862	\$909	\$961	\$1,016	\$1,077	\$1,152	\$1,222	\$1,295	6.0%
2016 Start	<i>Alera's School District Trend</i>	\$862	\$889	\$917	\$946	\$976	\$1,007	\$1,038	\$1,071	3.2%
Percentage	PwC Trend	6.2%	5.5%	5.7%	5.7%	6.0%	7.0%	6.0%	6.0%	6.0%

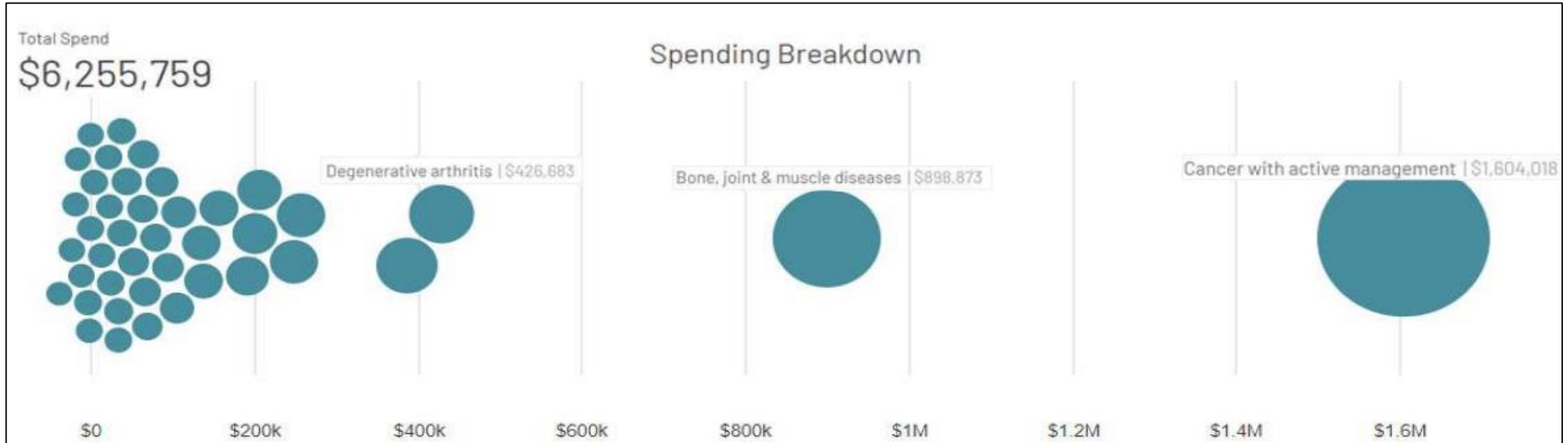
# Do You Know Your Data? What Your Data is Telling You



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# Claim Analytics Example | Bone, Joint and Muscle



## Bone, joint & muscle diseases | \$898,873

Condition ↑	Spend ↓
Adult rheumatoid arthritis	\$540,519
Joint derangement - knee & lower leg	\$149,713
Autoimmune rheumatologic diseases, except lupus	\$60,727
Minor joint inflammation - foot & ankle	\$36,294
Low back pain syndrome	\$16,403
Minor joint inflammation - elbow & upper arm	\$13,735
Osteoporosis	\$12,882
Lupus	\$11,389
Orthopedic deformity - foot & ankle	\$11,192

## Degenerative arthritis | \$426,683

Condition ↑	Spend ↓
Joint degeneration, localized - back	\$197,937
Joint degeneration, localized - knee & lower leg	\$137,553
Joint degeneration, localized - neck	\$34,931
Joint degeneration, localized - thigh, hip & pelvis	\$28,009
Joint degeneration, localized - foot & ankle	\$15,318
Joint degeneration, localized - shoulder	\$11,582
Joint degeneration, localized - hand, wrist & forearm	\$1,068
Joint degeneration, localized - unspecified	\$284



# Claim Analytics | Bone, Joint and Muscle

## Preference Sensitive Conditions

Identified 48

Members with knee or hip arthritis are at increased risk for knee/hip replacement surgery in the future. This clinical scenario is one which is preference-sensitive, meaning surgery is not necessarily the best option for all members in this situation. Some members may benefit from surgery, but others are better matched with physical therapy, medication management, or other treatment options.

### Arthritis: Risk of Knee or Hip Replacement Surgery

Insight History

Arthritis: Risk of Knee or Hip Replacement Surgery Members Affected

Month	Risk Level
Jan 21	34
Feb 21	14
Mar 21	18
Apr 21	22
May 21	28
Jun 21	30
Jul 21	34
Aug 21	38
Sep 21	40
Oct 21	42
Nov 21	44
Dec 21	48

**Alera Insights:** Quickly growing risk of future Knee and Hip Replacement Surgery

Strategy

- Assure members understand costs and risks of various strategies.
- Engage with members via formal and informal network members in order to give them guidance on costs and benefits of surgery compared to lower cost alternatives.

Tools

- Benefit design: Assure members need pre-authorization for expensive and invasive surgery.
- Out of pocket incentives: Create incentives to use lower cost treatments such as physical therapy or pain management.
- Provider network decisions: Strategically network with providers that only perform surgery when necessary.
- Member outreach with option grid tools would allow members to understand risks and benefits of treatments for this condition: <http://optiongrid.org/>.

## Risk of Surgery Hip/Knee/Rotator Cuff

## Preference Sensitive Conditions

Identified 15

Identifies members with a rotator cuff injury who may be at risk for rotator cuff surgery. Rotator cuff surgery is a preference-sensitive surgery and may not be the best option compared to physical therapy, pain management, or other potential interventions.

### Rotator Cuff Injury: Risk of Surgery

Insight History

Rotator Cuff Injury: Risk of Surgery Members Affected

Month	Risk Level
Jan 21	17
Feb 21	2
Mar 21	7
Apr 21	9
May 21	10
Jun 21	11
Jul 21	11
Aug 21	11
Sep 21	12
Oct 21	12
Nov 21	11
Dec 21	15

**Alera Insights:** The Springbuk AI is observing a spike in potential risk for rotator cuff surgery.

Strategy

- Engage with members via formal and informal network members in order to give them guidance on costs and benefits of surgery compared to lower cost alternatives such as physical therapy or pain management.

Tools

- Benefit Design: Assure members need pre-authorization for expensive and invasive surgery
- Out of Pocket Incentives: Create incentives to use lower cost treatments such as physical therapy or pain management
- Provider Network Decisions: Strategically network with providers that only perform surgery when necessary
- Education Outreach: Assure members understand costs and risks of various strategies
- Member outreach with option grid tools would allow members to understand risks and benefits of treatments for this condition: <http://optiongrid.org/>.

# Claim Analytics / MSK Opioid Risk

## Opioid Risk

Identified

112



Members at High Risk for Opioid Abuse identifies members that have a pattern of use of opioids in the past 6 months that indicate a potentially high-risk situation in the future. The basis for this score includes factors such as prescription time overlap, the unique number of different opioid drugs filled, claims evidence of mental health and/or drug abuse history, and other pertinent factors.

## Members at High Risk for Opioid Abuse

Overview | Strategy | History

### Strategy

#### Benefit Design:

- Impose maximum fill limits on opioid drugs
- Consider lowering out-of-pocket costs for nonopioid pain-treatment alternatives
- Increase availability and accessibility to prevention and treatment of substance use disorders and mental health conditions generally.

#### Networking:

- Consider removing network relationships from providers prescribing opioids excessively

#### Outreach:

- Implement an opioid outreach program to better understand member needs and potential alternative treatment alternatives.

## Insight History

Members at High Risk for Opioid Abuse

Members Affected



# Claims Analytics Example | Chronic Conditions

Members Identified

12%

Claims: Jan 21 - Dec 21 | Population: 3286

Percent of Spend

40%

Claims: Jan 21 - Dec 21 | Population: 3286

Percent of Forecasted Spend

38%

Claims: Jan 21 - Dec 21 | Population: 3286

## Chronic Intervention Opportunities

Name	Members	Not Compliant	Compliance %	Savings Opportunity
Hypertension	337	178	47%	\$388,685
Drug Management	332	92	72%	\$204,843
Hyperlipidemia	226	45	80%	\$65,097
Diabetes	173	145	16%	\$300,179
Mental Health	53	21	60%	\$63,138
Asthma	44	26	41%	\$53,249
CAD	23	16	30%	\$17,301
Migraine Headache	18	1	94%	\$1,025
Rheumatoid Arthritis	17	8	53%	\$48,646
Heart Failure	9	5	44%	\$26,527
Renal Failure	6	4	33%	\$83,637

## Preventive Intervention Opportunities

Name	Members	Not Compliant	Compliance %
Preventive Care	1,945	920	53%
Well Child Care	834	435	48%
Preventive Care - Women	696	461	34%
Immunizations - Children and Adolescents	69	65	6%
Pregnancy Care	16	14	13%

# Biometric Screenings / Chronic Conditions

Test Name	In Range	Moderate Risk	High Risk	Percent In Range	Percent Out of Range		Average Score	Highest Risk
<b>Blood Pressure - Systolic</b> Indicates how much pressure your blood is exerting against your artery walls when the heart beats.	273	546	160	28%	72%	63%	127.4	212
<b>Blood Pressure - Diastolic</b> Indicates how much pressure your blood is exerting against your artery walls when the heart is resting.	426	421	132	44%	56%	50%	79.7	120

Test Name	In Range	Moderate Risk	High Risk	Percent In Range	Percent Out of Range		Average Score	Highest Risk
<b>Body Mass Index</b> A formula that uses weight and height to estimate body fat, regardless of body frame size.	221	379	402	22%	78%	70%	29.4	70.9

Test Name	In Range	Moderate Risk	High Risk	Percent In Range	Percent Out of Range		Average Score	Highest Risk
<b>LDL Cholesterol</b> LDL, the "bad" cholesterol, is the main source of cholesterol buildup or blockage in the arteries.	307	591	102	31%	69%	66%	117	232
<b>Non-HDL Cholesterol</b> An accumulative summarization of all of the "bad" types of cholesterol in your body.	350	283	274	39%	61%	55%	143	314
<b>Total Cholesterol</b> The healthy cholesterol. This is a waxy, fat-like substance that's found in all the cells in your body.	596	305	103	59%	41%	41%	193	337
<b>Triglycerides</b> Formed from high-fat foods, butter and oil, and excess calories. These extra calories are Triglycerides.	687	142	175	68%	32%	23%	145	2,455

Test Name	In Range	Moderate Risk	High Risk	Percent In Range	Percent Out of Range		Average Score	Highest Risk
<b>Hemoglobin A1C</b> This test can help diagnose both type 2 diabetes and prediabetes.	64	176	87	20%	80%	36%	6	14
<b>Glucose</b> Glucose is a type of sugar. It is your body's main source of energy.	632	285	86	63%	37%	28%	103	418



## HIGH RISK / HIGH COST

	Diabetes Management	MSK/PT Management	Family Forming Benefits
Tier	Leading	Leading	Leading
Fully-Insured / Self-Funded	Typically for self-funded employers	Typically for self-funded employers	For fully-insured and self-funded employers
Description	Targets pre-and current diabetics often by Bluetooth technology connecting nurses and patients	Treats MSK issues by remote coaching and exercises via tablet	Fertility, surrogacy, adoptions, etc... May include extensive coaching and centers of excellence; Often larger employers (>500 EEs) due to affordability
Need Basis	Based on analytics detail	Based on analytics detail	Based on analytics detail
Common Vendors			
Recommendation	Add 7/1/2023	Add 7/1/2022	Keep on your radar



## HIGH RISK / HIGH COST

	<b>Orthopedic Surgery Alternative</b>	<b>Cancer Management, Early Detection and Centers of Excellence</b>	<b>One-Off Rare Disease Management</b>
<b>Tier</b>	Leading	Leading	Leading
<b>Fully-Insured / Self-Funded</b>	Typically for self-funded employers	Typically for self-funded employers	Typically for self-funded employers
<b>Description</b>	Use own body's natural healing to repair damage to bones, muscles, etc...In lieu of surgery	Cancer coaching, early detection, genetic preparation and centers of excellence	COE for rare disease such as hemophilia, bleeding disorders, IVIG, etc...; Also, for members utilizing certain high-cost specialty drugs
<b>Need Basis</b>	Based on analytics detail	Based on analytics detail; Generally, all employers have a need	Rare diseases
<b>Common Vendors</b>			
<b>Recommendation</b>	Not recommended at this time	Not recommended at this time	Not recommended at this time



## HIGH RISK / HIGH COST

	End Stage Renal and Kidney Disease	Obesity Drugs
Tier	Progressive	Progressive
Fully-Insured / Self-Funded	Typically for self-funded employers	Typically for self-funded employers; May apply to fully-insured
Description	COE, improved outcomes and lower cost of care	Coverage for obesity drugs; May be limited to new diabetes-based obesity drugs; Expensive; Unknown ROI
Need Basis	Based on analytics detail	Based on analytics detail
Common Vendors		
Recommendation	Already in place	Keep on your radar



## Value Base Purchasing

	<b>Narrow Network; ACO</b>	<b>Outcome Based Networks</b>	<b>Reference Based Pricing</b>	<b>Low Cost Surgical, Imaging, Lab Network</b>
<b>Tier</b>	<b>Foundational</b>	<b>Leading</b>	<b>Progressive</b>	<b>Leading</b>
<b>Fully-Insured / Self-Funded</b>	Typically for fully-insured and self-funded employers	Varies by carrier; Garner works with both FI and SF; Others only work with self-funded employers	Typically for self-funded employers	Typically for self-funded employers
<b>Description</b>	Limited network for improved discounts; Accountable Care Organization (ACO) – groups of doctors and hospitals providing integrated, high-quality care	Option to in addition to traditional networks; Leads to better outcomes and lower costs; Garner sits on top of current network, others are full replacements	Medical pricing methodology generally based on Medicare rates as a starting point for reimbursements; Negates the need for provider networks; Significant claim savings; Significant member disruption; May be limited to out of network claims only	Alternative lower cost networks
<b>Need Basis</b>	Improved cost, outcomes; Access varies dramatically by region	Applicable to all employers; Key is effective communication and steerage	For employers willing to disrupt the traditional system and experience high member issues in exchange for significant claim discounts	Applicable to all employers; Key is effective communication and steerage via reduced copays
<b>Common Vendors</b>				
<b>Recommendation</b>	<b>Already in place</b>	<b>Keep on your radar</b>	<b>Not Recommended At This Time</b>	<b>Strong Consideration</b>





## Value Base Purchasing | High Performance Network

**Metrics:** (% of total Paid, Covered, Discount, Allowed, Discount % of Covered, Out of Pocket, Paid)

**Rows:** (Tiered Network)

**Columns:** (Metrics)

**Tiered Network:** (TIER 1, TIER 2)

**Reporting Period:** (Jan 2022 - Dec 2022)

**Service Category:** (FACILITY INPATIENT, FACILITY OUTPATIENT, PROFESSIONAL)

Tiered Network	Covered	Discount	Allowed	Discount % of Covered	Out of Pocket	Paid	% of total Paid
IL BCO Blue Choice	\$12,512,987	\$8,374,181	\$4,138,806	66.9%	\$389,960	\$3,701,372	89.1%
IL PPO Preferred Provider	\$1,368,449	\$815,591	\$552,858	59.6%	\$14,308	\$453,203	10.9%
<b>T1/T2 Totals</b>	\$13,881,436	\$9,189,771	\$4,691,664	66.2%	\$404,268	\$4,154,575	100.0%
PPO Only Scenario	\$13,881,436	\$8,273,287	\$5,608,148	59.6%	\$528,402	\$5,015,417	
<b>BCO Savings Analysis</b>	\$0	-\$916,484	\$916,484		\$124,134	\$860,842	

The high performance network is designed to drive plan and member savings with improved provider discounts. Alera client is seeing a **7.5% improvement** to discounts on claims incurred within the network.

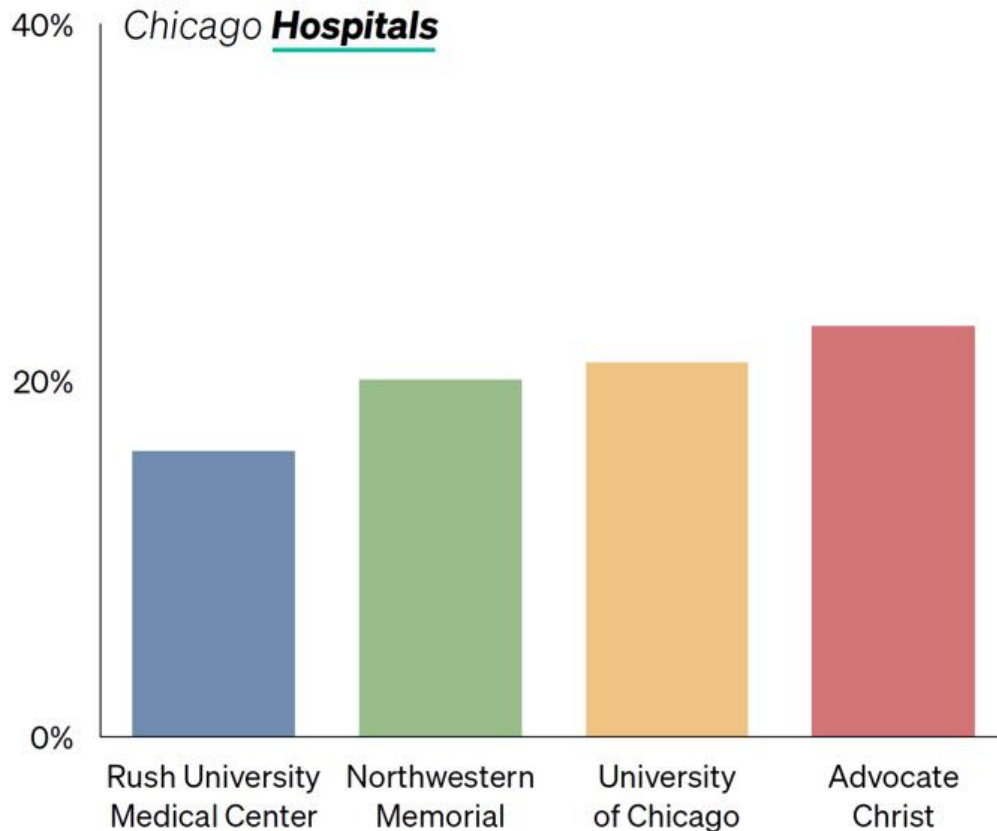
The improved discounts from the Tier 1 providers have saved the plan approximately \$860k and member out-of-pocket cost of \$124k over the past 12 months.



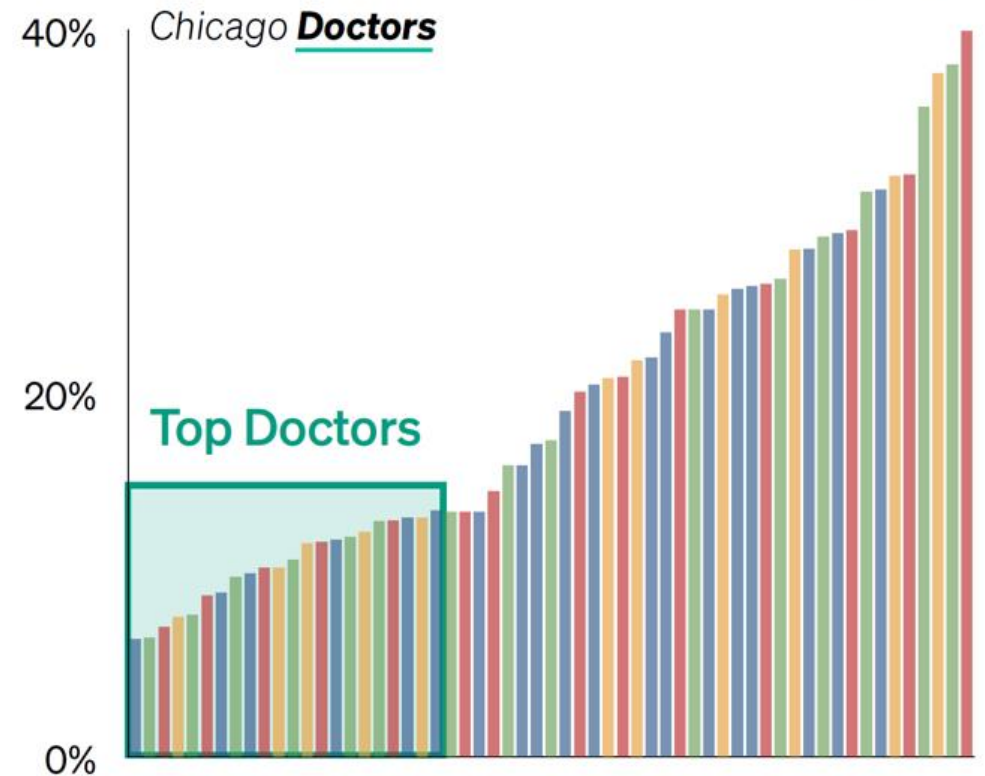
## Value Base Purchasing | Engagement Based Quality and Cost Built Plan

While most quality metrics have focused on the hospital or medical group, individual physician performance is what matters

Surgical site infection after colon surgery



Surgical site infection after colon surgery





So what opportunities do we have?

- Improve Care
- Reduce Cost

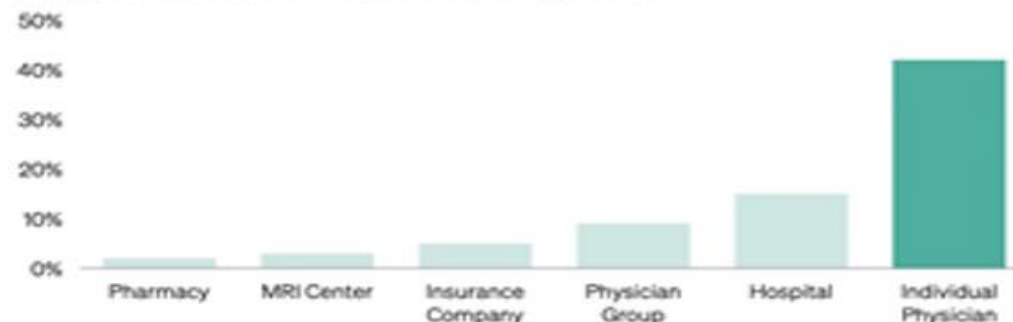
**Solution:**  
Build a Plan on the Best Providers

## Engagement Based HRA

- The most significant factor in healthcare outcomes & costs is the doctor you use.
- That matters more than the hospital or facility.
- Top Doctors produce:
  - *Savings on average of 27% per episode of care.*
  - 2.7 days fewer sick days per employee per year.

The key to improving health outcomes while lowering costs is understanding the performance of individual physicians.

Impact of individual performance on the total cost of care





## Value Base Purchasing | A-Zero



### ZERO Covers Scheduled Care

Say you go to your primary care doctor and you're told that you need to see a specialist for your knee pain — this is when ZERO kicks in. ZERO covers the imaging, the surgery and your physical therapy afterward, all for no cost to you.

- Cardio-thoracic Surgery
- Ear, Nose & Throat Surgery
- Gastroenterology
- General Surgery
- Imaging
- Medical Labs
- Ophthalmology
- Orthopedic Surgery
- Pain Management
- Physical Therapy
- Sleep Studies
- Urology
- Women's Surgery
- **And More**

\* Services can vary based on market

### Self-Funded Employers

## Improve Your Benefits While Reducing Cost

ZERO has created a bundled-payment marketplace with providers who offer thousands of procedures at costs that are far below the typical allowed amounts — dramatically lowering the financial barriers to high-value care. We've seen overall savings as high as 50% — with the average sitting at about 44%.

- ✔ Pay only a simple and transparent transaction fee
- ✔ No setup costs, no PEPM, no hidden fees
- ✔ Save money while offering an employee-retaining benefit

## Hassle-Free Healthcare For \$0

ZERO is your own Personal Health Assistant, a real person who you can chat with, call or email. Let us know what kind of care you need and we will handle the rest. You avoid all the hassles and get the care you need for \$0. **Yep, ZERO.**



 Chat With Your Health Assistant	 Call Your Health Assistant	 Search For Care Near You	 Download Your Member ID Card
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## Value Base Purchasing | AleraZero

### Savings Opportunity

**\$2,013,805**

Allowed Amount

**\$958,772**

ZERO Amount

**52.4%**

Savings %

### Categories by Savings

Category ▾	Members	Bundles	Allowed Amount	ZERO Amount	Savings	Savings %
Lab - pathology	878	12,069	\$582,153	\$340,489	\$241,664	41.5%
Physical Therapy - PT	212	3,056	\$431,230	\$259,760	\$171,470	39.8%
Advanced Imaging - MRI	101	160	\$217,692	\$47,128	\$170,564	78.4%
Advanced Imaging - CT	58	127	\$186,719	\$30,783	\$155,936	83.5%
Radiology - X-ray - diagnostic	255	545	\$75,117	\$18,458	\$56,659	75.4%
Gastroenterology - colonoscopy	33	33	\$93,610	\$37,259	\$56,351	60.2%
Advanced imaging - Ultrasound	133	202	\$69,423	\$22,482	\$46,941	67.6%
Surgery - Spine	3	3	\$139,996	\$103,711	\$36,285	25.9%
Breast Health Services	141	188	\$60,874	\$25,616	\$35,258	57.9%
Cardiovascular - non-invasive	26	51	\$28,251	\$7,431	\$20,820	73.7%
Surgery - Musculoskeletal	12	13	\$52,481	\$33,244	\$19,237	36.7%
Gastroenterology - EGD	6	6	\$22,199	\$6,196	\$16,003	72.1%
Advanced imaging - PET	3	3	\$11,716	\$4,650	\$7,066	60.3%
Orthopedics	30	40	\$10,402	\$3,791	\$6,611	63.6%
Pain Management	8	12	\$8,417	\$3,684	\$4,733	56.2%
Ear - nose - throat - sinus	17	30	\$7,654	\$3,940	\$3,714	48.5%
Sleep Medicine	7	7	\$5,501	\$1,950	\$3,551	64.6%
Surgery - Female genital system	2	2	\$7,559	\$5,000	\$2,559	33.9%
Surgery - General	1	1	\$2,812	\$3,200	-\$388	-13.8%
<b>Total</b>	<b>906</b>	<b>16,548</b>	<b>\$2,013,805</b>	<b>\$958,772</b>	<b>\$1,055,033</b>	<b>52.4%</b>



## Primary Care

	<b>Mobile Health (Phone, Video, Text)</b>	<b>On-Site/Near-Site Clinic</b>	<b>Advanced Mobile Mental Health</b>
<b>Tier</b>	Foundational	Progressive	Leading
<b>Fully-Insured / Self-Funded</b>	Typically for fully-insured and self-funded employers	Typically for self-funded employers	Typically for fully-insured and self-funded employers
<b>Description</b>	Virtual health (primary care, urgent/acute care, dermatology, mental health) via phone, video, text	Onsite and near-site primary care, mental health, wellness, pharmacy; <u>Typically</u> at least 500 EEs in one location; High initial expenses; ~1:1 ROI; Great for attraction and retention	Instant access to mental health providers; Text, video, chat; Expensive; Typically tailored to jumbo group
<b>Need Basis</b>	Applicable to all employers; Key is effective communication	Must have space, budget, employee concentration	Applicable to all employers; Key is effective communication
<b>Common Vendors</b>			
<b>Recommendation</b>	Telemedicine currently in place; <b>Strong consideration to add primary care</b>	<b>Keep on your radar</b>	<b>Keep on your radar</b>



## Pharmacy

	Specialty Drug Copay Assistance Program	PBM Coalition	<u>AleraRx</u> International Drug Sourcing
Tier	Foundational	Leading	Progressive
Fully-Insured / Self-Funded	Typically for fully-insured and self-funded employers	Typically for self-funded employers	Typically for self-funded employers
Description	Uses manufacturer assistance funds; Lowers cost for member and employer	PBM purchasing power; <u>Add'l</u> administrative cost; May not always integrate with TPA	Generic and/or brand and/or specialty drugs; May not integrate or be allowed by PBM; Member and plan savings; Requires additional member administration
Need Basis	Applicable to all employers	Applicable to all employers	All employers need a cost <u>solution</u> but this may be too much to communicate and coordinate
Common Vendors			
Recommendation	Currently In Place	Currently In Place	Strong Consideration



# Pharmacy | Pharmacy Benefit Manager RFP and Analysis

Vendor Comparison	Drug Cost Savings		Drug Cost Savings	Additional Fees/Credits			Total Net Drug Cost Savings <sup>6</sup>	Difference from <sup>7</sup> Analysis Leader (CVS via EH)
Proposed to Current	Non Specialty <sup>1</sup>	Specialty <sup>2</sup>		Membership Fee <sup>3</sup>	Admin. Fee <sup>4</sup>	Annual Credit <sup>5</sup>		
Y1 CVS Hea	\$494,767	\$162,159	\$656,926	(\$3,694)	\$0	\$0	\$653,232	---
Y2 CVS Hea	\$499,911	\$162,159	\$662,070	(\$3,694)	\$0	\$0	\$658,376	---
Y3 CVS Hea	\$499,911	\$162,159	\$662,070	(\$3,694)	\$0	\$0	\$658,376	---
Y1 OptumR	\$367,503	\$183,025	\$550,528	(\$3,694)	(\$18,394)	\$4,268	\$532,708	(\$120,524)
Y2 OptumR	\$387,832	\$192,715	\$580,547	(\$3,694)	(\$18,394)	\$4,268	\$562,727	(\$95,649)
Y3 OptumR	\$406,050	\$207,505	\$613,555	(\$3,694)	(\$18,394)	\$4,268	\$595,735	(\$62,641)
Y1 BCBS TX	\$507,213	\$28,323	\$535,536	\$0	(\$54,186)	\$0	\$481,350	(\$171,882)
Y2 BCBS TX	\$587,452	\$30,840	\$618,292	\$0	(\$54,186)	\$0	\$564,106	(\$94,270)
Y3 BCBS TX	\$677,644	\$33,772	\$711,416	\$0	(\$54,186)	\$0	\$657,230	(\$1,146)
Y1 Express	\$163,171	(\$1,575)	\$161,596	\$0	\$0	\$7,113	\$168,709	(\$484,523)
Y2 Express	\$187,956	(\$1,575)	\$186,381	\$0	\$0	\$7,113	\$193,494	(\$464,882)
Y3 Express	\$212,741	(\$1,575)	\$211,166	\$0	\$0	\$7,113	\$218,279	(\$440,097)





# International Pharmacy

April 01, 2022 - June 30, 2022 Page 1

## Enrolled Members

Participation is based on the previous 12 months

14 ←

Current      Since Inception  
January 01, 2020

Issued Prescriptions	14	101
Average U.S. Plan Cost	\$22,105.96	\$132,647.00
Billing	\$5,160.60	\$33,231.90
Net Program Savings	\$16,945.36	\$99,415.10
Savings	76.66%	74.95%
	<u>Current Savings</u>	
Employee Savings ←	\$1,310.00	7.73%
Group Savings ←	\$15,635.36	92.27%
Savings	\$16,945.36	100.00%

**Projected Annual Savings**

**\$67,967.65**

Calculations are based on current results

April 01, 2022 - June 30, 2022 Page 1

## Enrolled Members

Participation is based on the previous 12 months

8 ←

Current      Since Inception  
July 01, 2017

Issued Prescriptions	10	150
Average U.S. Plan Cost	\$30,282.24	\$445,420.87
Billing	\$9,501.00	\$119,740.00
Net Program Savings	\$20,781.24	\$325,680.87
Savings	68.63%	73.12%
	<u>Current Savings</u>	
Employee Savings ←	\$830.00	4.03%
Group Savings ←	\$19,951.24	96.94%
Savings	\$20,781.24	100.00%

**Projected Annual Savings**

**\$83,353.33**

Calculations are based on current results



# Risk Management

	Alternative Funding	Healthcare Analytics & Predictive Modeling	Individual Coverage HRA (ICHRA)
<b>Tier</b>	Leading	Leading	Leading
<b>Fully-Insured / Self-Funded</b>	Self-funded employers	Some fully-insured, mostly self-funded employers	Fully-insu
<b>Description</b>	Partial and full self-funding, level funding and captive solutions	In depth claim analytic tools and support help determine root causes and future strategic solutions	Alternative Offer HRAs individual
<b>Need Basis</b>	Applicable to most employers with > 50 enrolled employees; Recommend feasibility study for groups with claims experience	Applicable to all employers w/ > 100 enrolled employees	Applicable
<b>Common Vendors</b>	[Redacted]		
<b>Recommendation</b>	Currently in place	Currently in place	Not recommended at this time

	Dependent Eligibility Audit	TPA Claims Audit	TPA Pre-Payment Audit (Payment Integrity)
<b>Tier</b>	Leading	Leading	Leading
<b>Fully-Insured / Self-Funded</b>	Typically for fully-insured and self-funded employers	Typically for self-funded employers	Typically for self-funded employers
<b>Description</b>	Audit dependents to ensure only eligible participating	Analyze medical plan to ensure accurate costs, reduce errors and optimize effectiveness	Edits that review the integrity of the eligibility of a claim and accuracy of every payment (not the discounting or reimbursement)
<b>Need Basis</b>	Bigger need for employers with high dependent enrollment	Best practice (and fiduciary responsibility) is to audit <u>tpa</u> at least every 5 years	Applicable to all employers
<b>Common Vendors</b>	[Redacted]		
<b>Recommendation</b>	Keep on your radar	Not recommended at this time	Not recommended at this time



## Risk Management | Dependent Audits

Member Type	Record Count
Employee	813
Dependent Child	1,261
Legal Spouse	728
<b>Total # of Employees</b>	<b>813</b>
<b>Total # of Dependents</b>	<b>1,989</b>
<b>Total # of Members (Employees + Dependents)</b>	<b>2,802</b>

Calculated Savings and First-Year ROI	#	Estimated Annual Cost/Dependent	Total
# of Confirmed Ineligible Dependents:	32	\$3,500.00	\$112,000.00
# of Incomplete (5) and No Response (7) Dependents:	12	\$3,500.00	\$42,000.00
Estimated First-Year Annual Savings:			\$154,000.00
Audit Fee:			\$16,260.00
<b>Estimated First-Year ROI (Savings/Audit Fee):</b>			<b>947.11%</b>

Potential Stop-loss Risk Reduction: ISL \$250,000 x 44 = \$11,000,000



## Risk Management | Working Spouse Strategies

### Spousal Coverage Survey

There were 728 spouses enrolled in coverage. Each employee was asked to indicate if his/her spouse is eligible for coverage through his/her employer. Below are the results.

Survey Results	# of Dependents	% of Dependents
Question was skipped	217	29.81%
No - Coverage is not available	239	32.83%
Yes - Coverage is available	231	31.73%
No response to the audit	2	0.27%
Failed the audit	6	0.82%
Suspended from the audit	33	4.53%
<b>Total Dependent Count</b>	<b>728</b>	<b>100.00%</b>



## Risk Management | Working Spouse Strategies | Surcharge

**Number of covered spouses with access to other coverage:**

**134**

**Monthly Surcharge Amount:**

**\$200**

<b>Spouse Costs *</b>	<b>Average Cost/Sp</b>
Annual Net Cost per Spouse	\$5,399

*\*Based on average cost of District's premium contribution toward coverage for spouses*

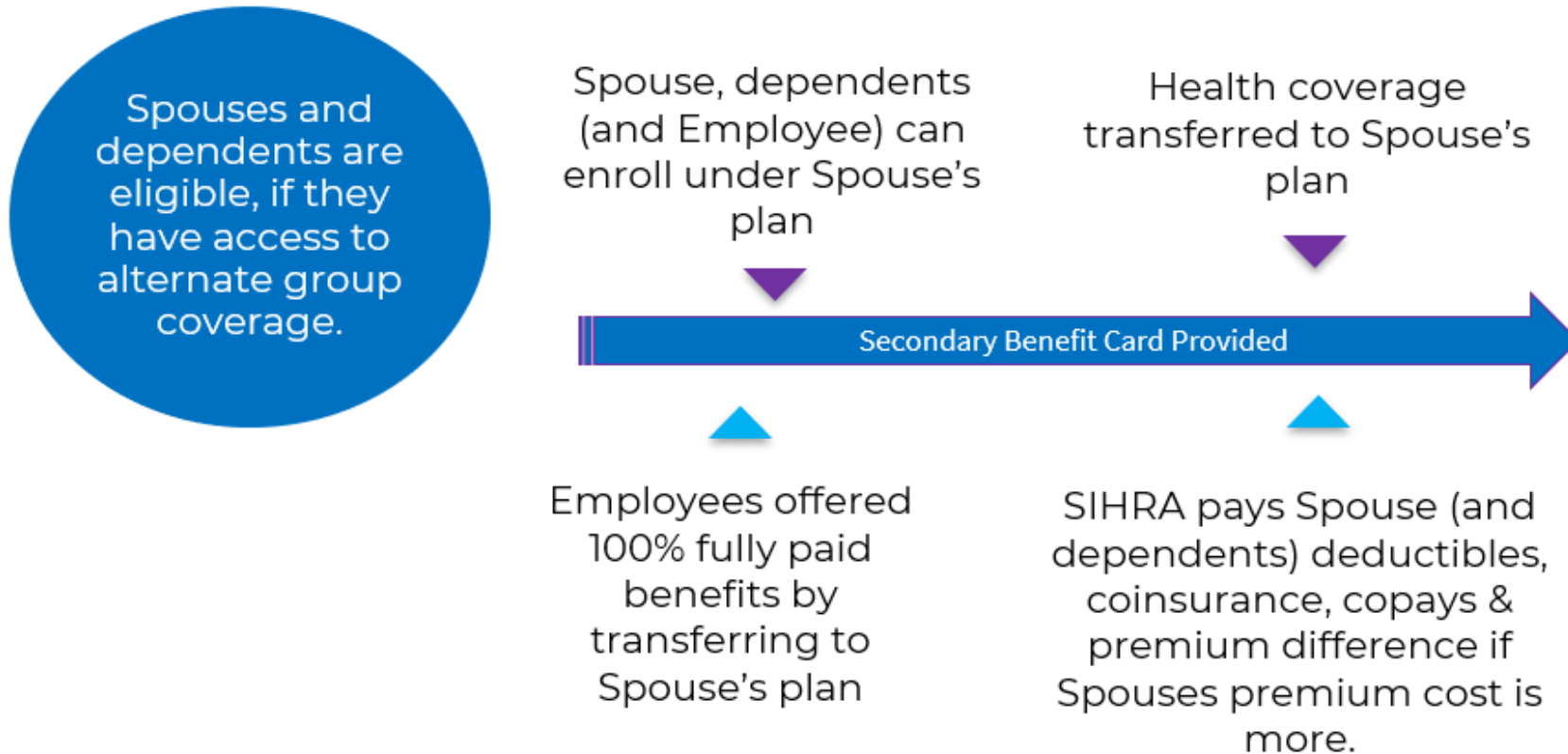
<b>% of spouses dropping off due to surcharge</b>	<b>20%</b>
<b>% of spouses remaining on plan and paying surcharge</b>	<b>80%</b>

<b>Projected Savings from spouses dropping off the plans</b>	<b>\$145,773</b>
<b>Projected Savings from spouses paying surcharge</b>	<b>\$256,800</b>
<b>Total Projected Savings</b>	<b>\$402,573</b>



## Risk Management | Working Spouse Strategies | AleraSpousal HRA

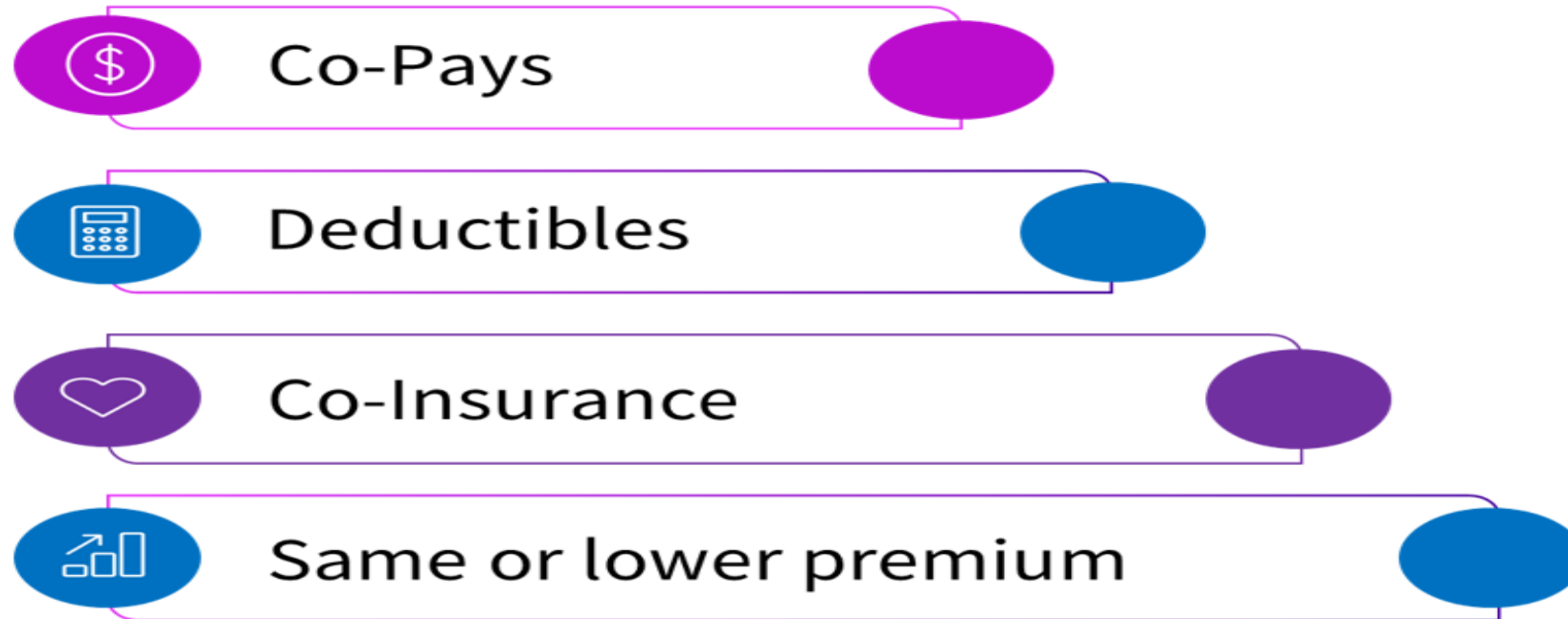
SIHRA helps transfer the risk and cost of covering working spouses back to the spouse's alternate coverage.





## Imagine 100% Coverage (change working spouse surcharge optics)

Imagine if there were a product that could provide up to a 100% coverage experience





# Risk Management | Working Spouse Strategies | AleraSpousal HRA

Month	# Employees	# Members	SIHRA Claims*	SIHRA Post-Tax Premiums	Pre-Tax Premiums	SIHRA Admin	Savings	Savings Fee
January	32	46	\$ -	\$ -	\$ -	\$ 800.00	\$ 27,893.65	\$ 8,368.10
February	32	46	\$ 202.61	\$ -	\$ 1,898.90	\$ 800.00	\$ 24,944.78	\$ 7,483.43
March	29	40	\$ 1,679.81	\$ -	\$ 2,035.30	\$ 750.00	\$ 19,523.68	\$ 5,857.10
April	32	49	\$ 1,911.09	\$ -	\$ 2,563.56	\$ 800.00	\$ 21,724.28	\$ 6,517.28
May	33	50	\$ 1,943.28	\$ -	\$ 1,647.90	\$ 825.00	\$ 23,187.10	\$ 6,956.13
June	34	53	\$ 1,191.54	\$ -	\$ 1,647.90	\$ 850.00	\$ 24,518.19	\$ 7,355.46
July	34	53	\$ 2,490.80	\$ -	\$ 1,672.76	\$ 850.00	\$ 23,194.07	\$ 6,958.22
August	36	58	\$ 340.68	\$ -	\$ 1,704.90	\$ 900.00	\$ 27,667.84	\$ 8,300.35
September	43	75	\$ 304.65	\$ -	\$ 1,682.35	\$ 1,075.00	\$ 38,264.95	\$ 11,479.49
October	43	75	\$ 623.63	\$ -	\$ 2,384.29	\$ 1,075.00	\$ 37,244.03	\$ 11,173.21
November	42	71	\$ 2,443.06	\$ -	\$ 2,034.70	\$ 1,050.00	\$ 33,997.75	\$ 10,199.33
December	42	72	\$ 4,639.62	\$ -	\$ 2,025.34	\$ 1,050.00	\$ 31,810.55	\$ 9,543.17
<b>Monthly AVG</b>	<b>36</b>	<b>57</b>	<b>\$1,480.90</b>	<b>\$0.00</b>	<b>\$1,774.83</b>	<b>\$902.08</b>	<b>\$27,830.91</b>	<b>\$8,349.27</b>
<b>Total</b>	<b>432</b>	<b>688</b>	<b>\$17,770.77</b>	<b>\$0.00</b>	<b>\$21,297.90</b>	<b>\$10,825.00</b>	<b>\$333,970.87</b>	<b>\$100,191.26</b>

Avg Savings/Employee/YR	\$6,493.88
Avg Savings/Member/YR	\$4,077.55
Avg Cost/Employee/YR	\$4,169.03
Avg Cost/Member/YR	\$2,617.76

District PEPY cost is roughly \$10,665

SIHRA PEPY cost is \$4,169 on average

\$6,500 PEPY savings

5 year estimated net savings

**\$1.16M - \$1.36M**





## Miscellaneous Strategies

	<b>Student Loan Repayment Programs</b>	<b>Family Caregiver Assistance</b>	<b>Employee Discount Programs</b>
<b>Tier</b>	Leading	Leading	Leading
<b>Fully-Insured / Self-Funded</b>	Not applicable	Not applicable	Not applicable
<b>Description</b>	Customizable student loan repayment platform to match each client's desired outcomes	Services for families that provide caregiving assistance	Employee discount programs on everyday purchases
<b>Need Basis</b>	Bigger need for employers with high dependent enrollment	Applicable to all employers	Applicable to all employers
<b>Common Vendors</b>			
<b>Recommendation</b>	Keep on your radar	Not recommended at this time	Currently in place



# Healthcare Literacy & Engagement

	Employee Health Educational Programs	Decision Making Tools / Transparency	Medicare Education, Brokerage and Enrollment	Medicaid Education, Brokerage and Enrollment	Outsourced Member Service Center	Patient Advocacy Programs / Healthcare Navigation
<b>Tier</b>	Foundational	Foundational	Foundational	Foundational	Foundational	Leading
<b>Fully-Insured / Self-Funded</b>	Typically for fully-insured and self-funded employers	Typically for fully-insured and self-funded employers		Typically for fully-insured and self-funded employers	Typically for fully-insured and self-funded employers	Typically for self-funded employers
<b>Description</b>	Useful, fun healthcare information; Will employees access it or care? ROI?	Provider and prescription cost and quality comparisons		Medicaid advisory and brokerage service	Concierge benefits support (in lieu of insurer customer service)	Health advocacy services may help direct care and incorporate point solutions and claims management; Price/services vary dramatically; May not integrate with all health services
<b>Need Basis</b>	Applicable to all employers; Key is effective communication	Applicable to all employers; Key is effective communication		Applicable to all employers; Key is effective communication	Applicable to all employers; Key is effective communication	Applicable to all employers; Key is effective communication
<b>Common Vendors</b>						
<b>Recommendation</b>	Not recommended at this time	Already in place		Not recommended at this time	Not recommended at this time	Not recommended at this time

# Questions and Answers

*We thank you for your time!*

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