

State of Healthcare in 2024



**How do we Attract,
Retain, and Provide
Value for our
Workforce
Across Generations?**



Today's Presenters



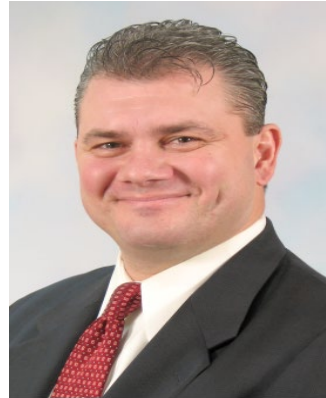
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***Thank you
to CP State
for the
opportunity
to present!***

Determining Value is complicated

- When you value something, **you consider it important and worthwhile.** Value has to do with how much something is worth, either in terms of cash or importance.
- As a verb, it means "holding something in high regard," (like "I *value* our friendship") but it can also mean "**determine how much something is worth,**" like a prize valued at \$200.
- The noun *value* also relates to worth, like a used car that is a **good value,** the value of good health, or the ideals we have, like "My *values* include honesty and fairness."

Is this accurate?

Underpaid workforce that is asked to perform a demanding job both mentally and physically

High turnover (some programs are at 40% capacity due to shortage)

Diversly educated, multi-generational workforce making communication a challenge

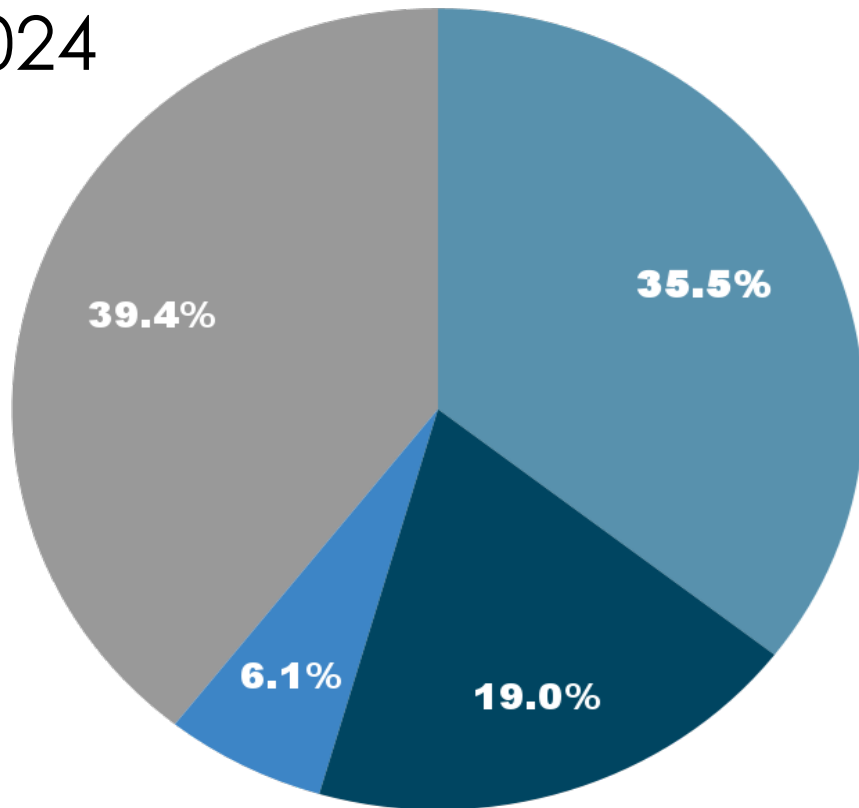
Employees are skeptical of non-traditional medical plans

Mental health is a priority as employees are constantly dealing with challenging situations (some physically)

Little or no budget dollars to put in valued programs (mental health vendors, child back-up care, financial wellness platform, etc.)

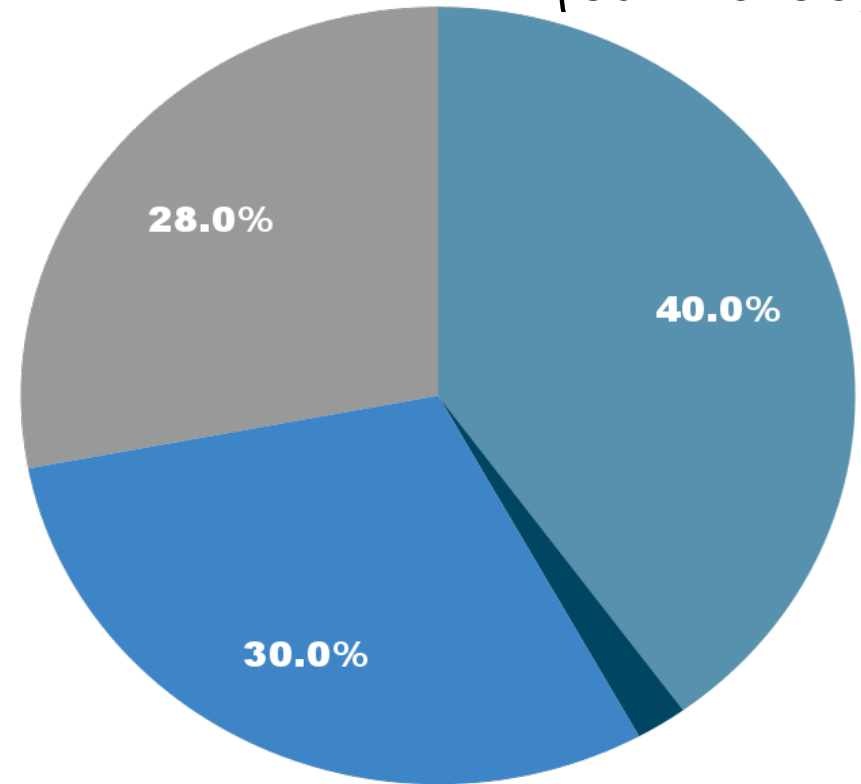
Workplace Makeup by Generation

2024



● Generation x ● Baby Boomers ● Generation Z ● Millennials

*2030
(estimated)



● Generation x ● Baby Boomers ● Generation Z ● Millennials

What Do Employees Want?

Gen Z wants low premium costs and access to mental health benefits

- According to Gallup, 68% of Gen Z and younger millennials report feeling stressed out 'most of the time' at work, and want more robust mental health care

Millennials building families need access to quality care and infertility benefits, paid parental leave

- Reported infertility diagnoses on the rise

Boomers and Gen X need creditable health care (to avoid Medicare Part D penalties)

- Older workers report needing plenty of specialists in network

Practical Examples to Meet Cross-Generational Demands

- **Gen Z:** Gen Z's low premium need with a 'MEC' plan, offering telehealth for mental health services, hybrid or telework option
- **Millennials:** A more expensive 'buy up' plan for Millennials with robust coverage for infertility (or an infertility benefit alongside the plan), wellness plan to reduce premiums and target biometric data, paid parental leave for all parents
- **Gen X:** A higher cost plan with creditable drug coverage (Medicare Part D purposes), out of network benefits for Gen X and Boomers, and a voluntary long term care benefit

Compliance Considerations

The Affordable Care Act (ACA)

Section 4980H, Cost Limitations

- 'Affordable', minimum value coverage

Section 4980D, Substantive Coverage Requirements

- Mental Health Parity, Comparative Analysis
- No 'stand alone' health plans (telehealth, fertility)

Impact to Utilization (Medical)*

Pandemic peak in 2020 returned to normal

Spouses remain +25% more expensive

Ages 27 – 35 Sharpest Increase

Hypertension, Hyperlipidemia and Obesity are most prevalent chronic conditions

Musculoskeletal and Cancer continue to top the list of costly conditions by a large margin

Impact to Utilization (Rx)*

Specialty costs 8x's cost of conventional Rx

47% of Pharma spending is Humira and Stelara

Brand name drugs are up substantially with Trulicity, Ozempic, Jardiance, and Eliquis leading the way

Diabetes remains high prevalence, costs up for diabetic drugs

Impact to Carriers



Provider Contract Battles

Aetna, Excellus, CDPHP, Oxford & Cigna



Increase to overall carrier trend (inflation)



Increase to carrier manuals

Impact to the Healthcare Landscape



Mental Health shortage



Provider membership fees



Providers charging up front fees



Shortage of healthcare staffing



Inflationary pressures

The focus of HR today

- The conversation has turned to how HR is more than a liaison between employees and management these days — **less transactional, and more involved in shaping the “people” part of the business.**
- **Benefits are directly tied to that conversation, including paying stricter attention to holistic aspects of health**



Who is ready to play CP State Family Feud!!

We will have 4 categories

Any answer is a good



CP State Family Feud!!

Name your top Retention Strategies for 2024?



*Survey says**

- **Salary / Wages**
- **Work From Home**
- **Flexible Scheduling and Reduced Workdays**
- **Meet the benefit needs of my generations**
- **Hire for the Cultural Fit**
- **Manage for Retention**
- **Promote a Work-life Balance**
- **Recognize and Reward me**
- **Create a Culture That I Want To Be Part Of**
- **Give me Job Perks**
- **Help me Grow by Offering Professional and Personal Development**
- **Build Employee Engagement**
- **Emphasis on Teamwork**
- **Don't Burn me out**
- **Provide Wellness programs catered to my needs**
- **Know When It's Time To Say Goodbye**

Survey says: Prioritize my mental health

Difficult accessing support, more costly, longer wait times & provider shortages

Mental Health Coaching (i.e., Unum Behavioral Health)

App-based services (digital flexible health tools)
– Headspace, Calm, eMindful

Promote EAP's (typically underutilized)



Survey says: Financial fears are stressing me at work and at home. The younger the member, the more stress

Financial protection from medical expenses:

84% want more education

70% want digital content & tools

56% want help with retirement planning

Assistance with student loans/debt

Offer voluntary benefits like **Accident, Critical Illness** and **Hospital Indemnity** insurance plans to employees

- Employee-paid benefits
- Portable plans they can take with them



Survey says: I need answers & accessible care across my family's unique situation



Inclusive, 24/7/365 support & access for:

- Fertility
- Maternity
- Newborn Care
- Parenting
- Return to work

Enhanced Parental Leave & Caregiver Support

CP State Family Feud!!

Name 5 tools & resources being used within your specific industry



Survey says:

Second Opinion	Oncology	Women's Health	MSK
 	 		 
Caregiver Support	Wellness/Nutrition Care	Biometrics/Testing	Diabetes
 	 	 	   
Kidney	Financial Wellness	Enhanced Care	Gastrointestinal
		 	

CP State Family Feud!!

Name 5 items your workforce values in your agency's health insurance program?



Survey says...



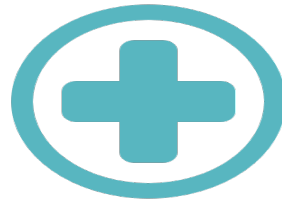
Provider access



Breadth of coverage



Wellness initiatives



Disease management assistance



Premium contributions



Out-of-pocket expense

CP State Family Feud!!

Name 5 items your workforce does **NOT value in your agency's health insurance program?**



Survey says...



**OUT-OF-POCKET
EXPENSE**



**PREMIUM
CONTRIBUTIONS**



**BREADTH OF
COVERAGE**



**PROVIDER
ACCESS**



**DISEASE
MANAGEMENT
ASSISTANCE**



**WELLNESS
INITIATIVES**

Hmmmmmm...

Survey responses are almost exactly opposite

No surprise that cost remains the leading concern

Ways to enhance traditional health insurance plans to assist members

- **Healthcare pricing transparency is evolving**
- **Use technology to deliver pricing alternatives to their smartphone**
- **Incent the use of less expensive options thru enhanced plan design to reduce member out-of-pocket costs**
- **Provide low-cost financing options to employees that need help to cover a big bill**
- **Provide “concierge” member service to assist in good decision making**

Healthcare Pricing Transparency is Evolving

Balance Cost and Quality

			Healthcare Market 1		Healthcare Market 2	
Facility:			A	B	A	B
Leapfrog Quality rating:			C	A	A	A
DRG:	Description:	Medicare Instances:				
470	Hip & Knee replacement	359,592	\$75,136	\$46,304	\$61,077	\$33,359
872	Severe Sepsis	154,926	\$42,819	\$23,334	\$33,411	\$17,938
189	Pulmonary Edema and Respiratory Failure	145,630	\$47,513	\$28,426	\$38,385	\$21,506

There's an App for that...

Empower employees with Healthcare

Pricing

Quality

Provider Access

Out of Pocket cost



Incent the use of ACO or limited Provider Networks

	ACO Network	Limited Network	National Network
TYPICAL ACTUARIAL VALUE	~91%	~90%	~86%
PCP & referrals required	Yes	No	No
Med/Rx Deductible	None	None	\$1,500/\$3,000
OOP max	\$3,500/\$7,000	\$4,000/\$8,000	\$4,000/\$8,000
PCP visits	FREE	\$30 copay	\$30 copay
Urgent care	\$75	\$75 copay	\$75 copay
Specialists	\$30	\$45 copay	\$45 copay
Lab / X-ray / Adv. Imaging	\$20 / \$50	\$30 / \$75	\$40 / \$75
Outpatient (Fac & Surg)	\$300	\$300	0% after ded.
Inpatient (Fac & Surg)	\$500	\$500	0% after ded.
DME / Prosthetic	\$0	50% after ded.	50% after ded.
Ambulance / ER	Amb: \$0 ER: \$150	Amb: \$0 ER: \$200	Amb: \$0 ER: \$250

Rx for the pain of big medical bills

Low-cost financing of out-of-pocket costs

- No payment due at time of service
- 1.5% cash back when balances are paid by due date
- 0% interest payment plans with auto pay feature
- Customized payment plans available
- Payroll deduction feature available

Balance	Monthly Payment
\$1 - \$2,000	\$100
\$2,000 +	\$375

Support Good Decision Making!

**Utilize third-party Benefits Concierge and Claims Advocacy
and easy to use technology
to ensure your employees are maximizing their benefit.**

Help is out there!

Thank you

