

Understanding Employee Benefits

October 8, 2020

PRESENTERS:

Melisa Briggs, Benefits Assistant Manager

David Salois, Member Relations Representative,
Engagement





AGENDA



- Welcome
- Who is HealthTrust & Key Member Statistics
- Risk Pool Advantage
- New Hampshire Healthcare & Cost Drivers
- Medical, Prescription and Dental Coverage
- How Plan Deductibles Work
- HSA, HRA & FSA Strategies to Offset Higher Deductibles
- Transitioning Employees to Deductible or High Deductible Health Plans
- Future of Healthcare
- Rating & Renewals
- COVID-19 & Affordable Care Act Updates
- Ancillary Coverages (Life, LTD & STD)
- Obtaining a Proposal

Get to know HealthTrust!

Who is HealthTrust?

A nonprofit, public risk pool dedicated to serving our Members – the people who work in and govern New Hampshire’s schools, towns, cities, counties and other public entities.

- *Exceptional service with a personal touch*
- *More than 70,000 NH public sector workers and their family members choose HealthTrust for their coverage*

Our Board of Directors Represents You



Chair: Cathy Ann Stacey,
Register of Deeds,
Rockingham County



Vice Chair: Daniel Rossner,
Business Administrator,
SAU #48



K. Jeanne Beaudin,
Town Administrator, Belmont



Russell Dean,
Town Manager, Exeter



Scott Dunn,
Town Administrator,
Town of Gilford



James Fenn,
Chief Financial Officer,
SAU #60



Susan Hilchey,
Director of Human Resources,
SAU #25 - Bedford Schools



Brian Rapp,
Lieutenant, Claremont
Fire Department



Jill Sheing,
HR Payroll Coordinator,
Strafford County



Adam Steel,
Superintendent,
SAU #39



Sarah Trahan,
Social Studies Teacher,
Winnacunnet High School

KEY MEMBER STATISTICS



MEDICAL OVERVIEW

As of July 1, 2020

2020



53,606

TOTAL MEDICAL COVERED LIVES



25,985

TOTAL MEDICAL ENROLLEES

18,027 ACTIVE

5,752 SINGLE; 4,644 TWO-PERSON; 7,631 FAMILY

7,958 RETIREES (*Early Retirees + MC3*)

TOTAL MEDICAL COVERED LIVES BY AGE BANDS

20%
< 18

26%
18 - 39

30%
40 - 59

22%
60 - 79

2%
80+

TOTAL MEDICAL ENROLLEES BY AGE BANDS

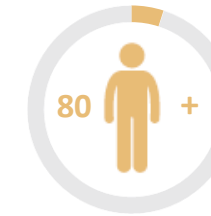
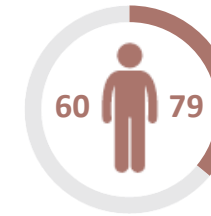
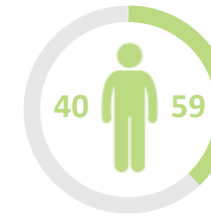
0%

21%

38%

36%

5%



Youngest Active Enrollee



19
Years
Old

Oldest Active Enrollee



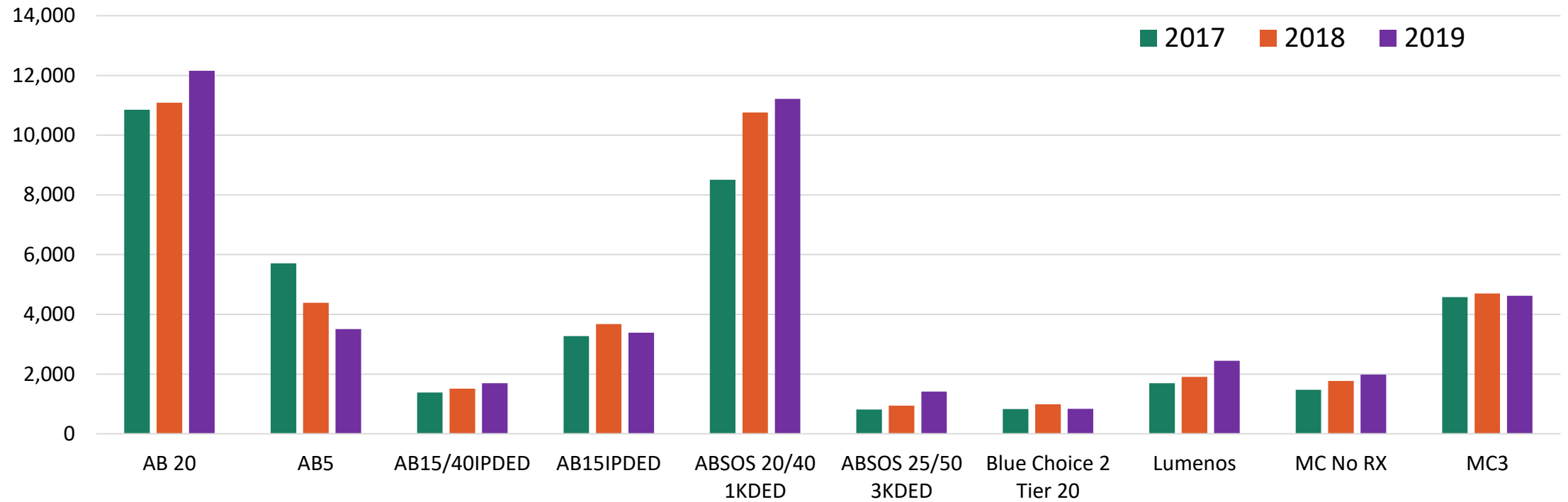
89
Years
Old

Oldest Covered Retiree



104
Years
Old

MEDICAL OVERVIEW



As of July 1, 2019

RISK POOLS

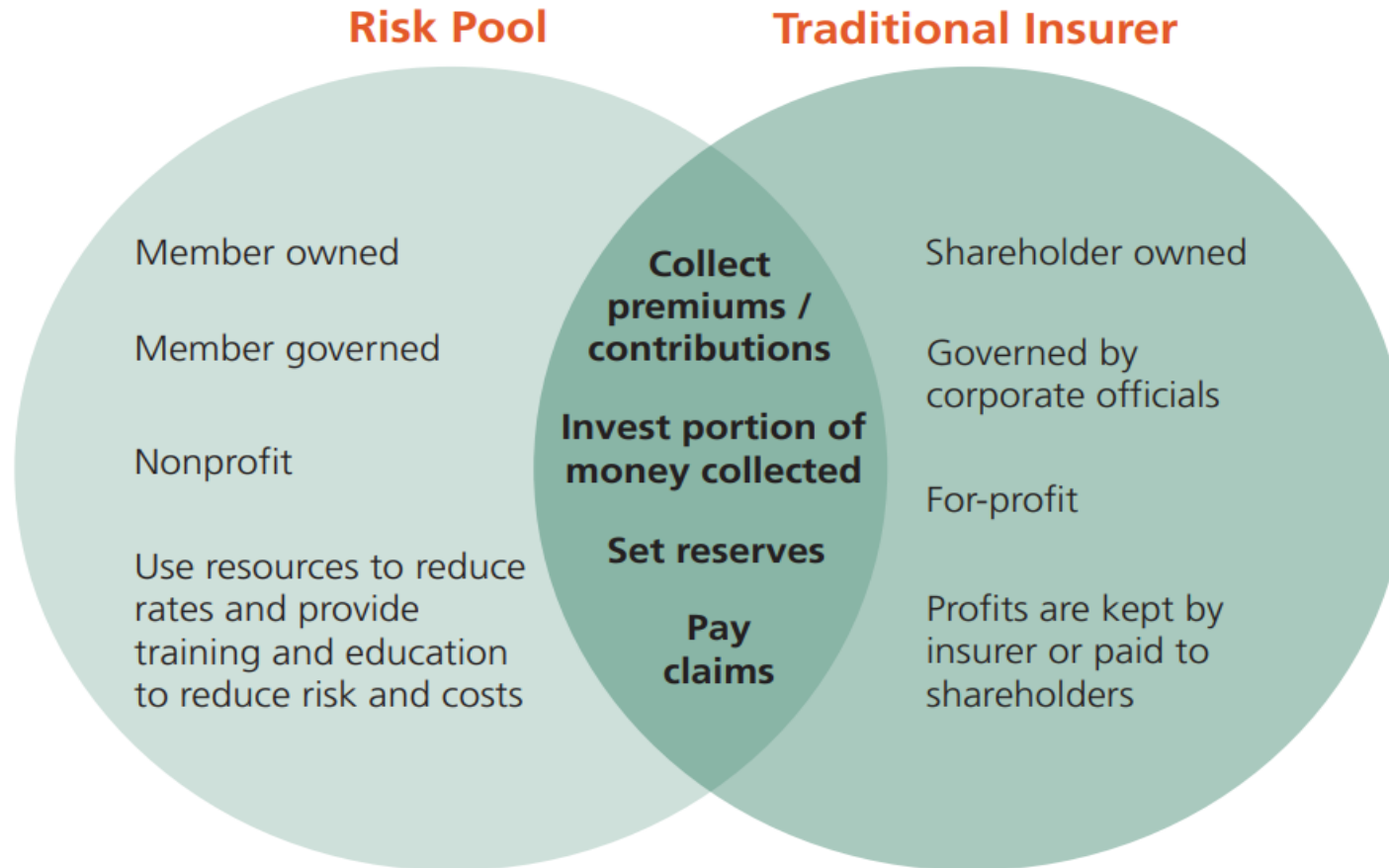


RISK POOL ADVANTAGE

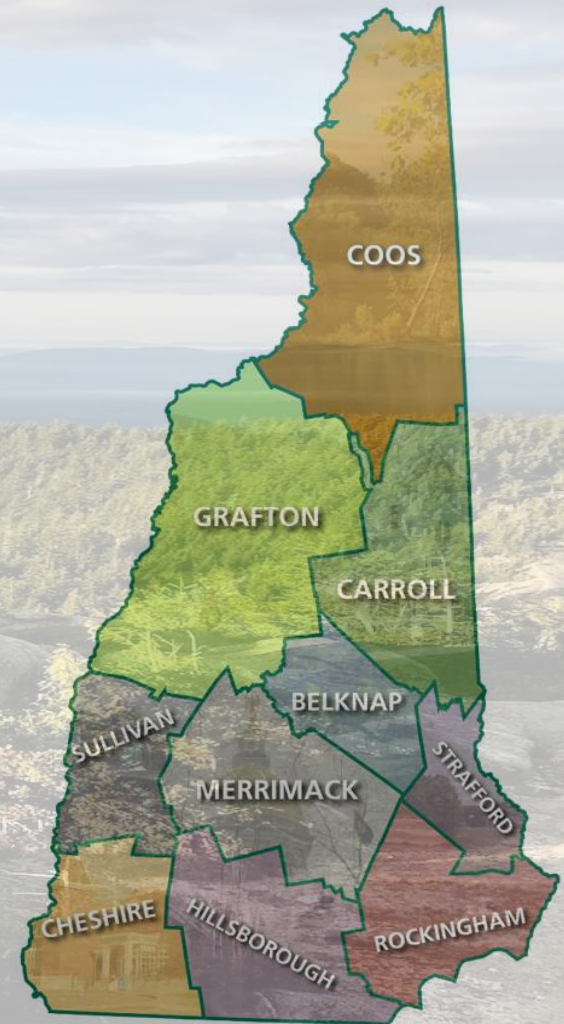
In New Hampshire, RSA-5-B, the law that governs public risk pools, recognizes risk pooling as an essential governmental function that provides many advantages to people who work in the public sector. These advantages mean:

- A greater pool of resources
- Comprehensive employee benefit programs and unsurpassed services that meet public sector needs specifically
- Exceptional value
- Lower premiums and more stable pricing
- Tax savings
- Coverage for groups of all size

Risk Pool Advantage



NEW HAMPSHIRE HEALTHCARE



NH HEALTHCARE DELIVERY SYSTEM IS...

- Expensive** Average premium for health insurance coverage is 2nd highest in the nation

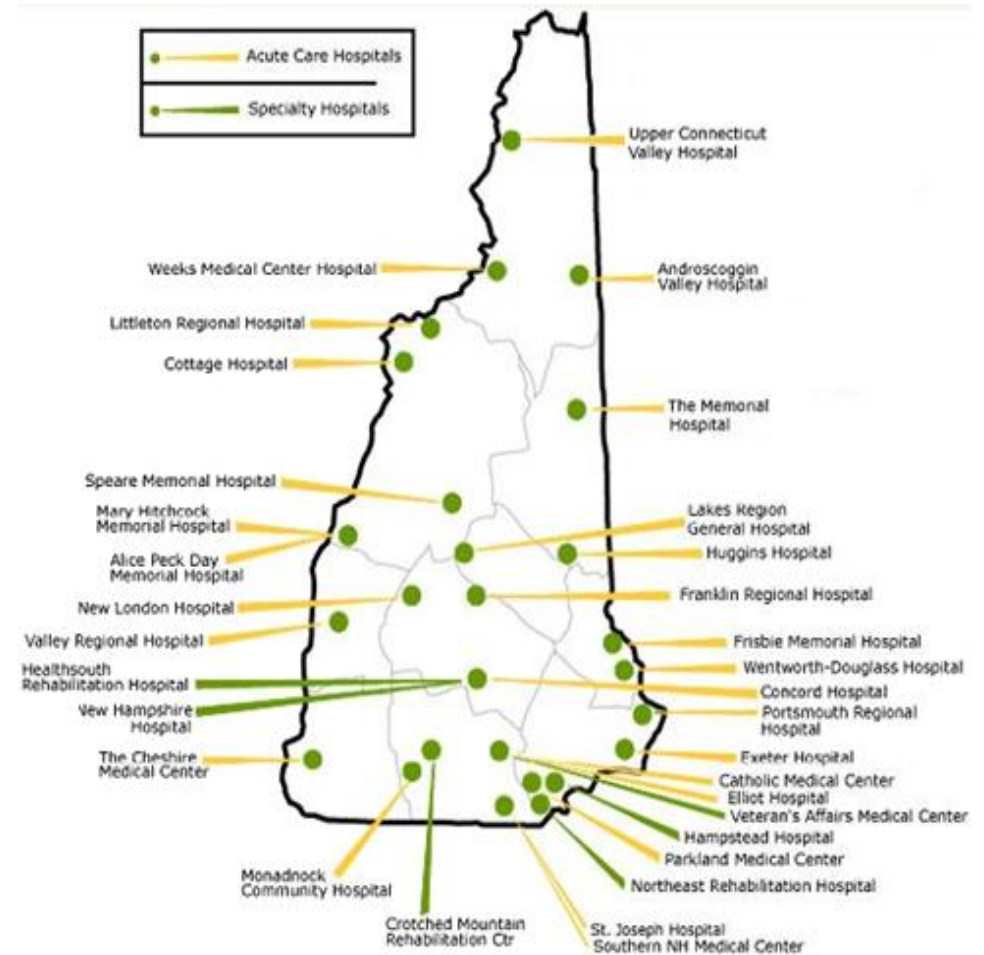
- Geo-monopolistic** Hospital competition exists only in two cities (*Nashua and Manchester*)

- Rural** 13 of 26 hospitals are critical access

- Hospital Employed Physicians** NH has extremely high rates of physician employment
 PCPs— 72%
 Specialists— 50%

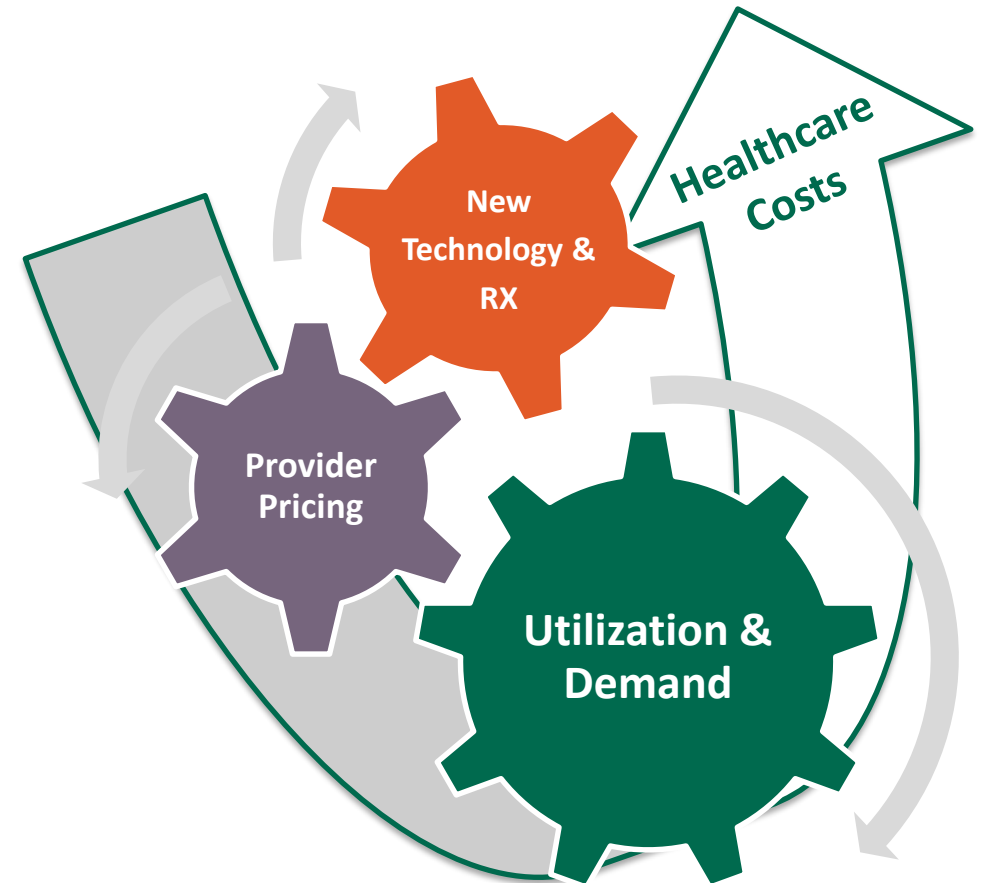
- Affiliations**
 - Mergers and affiliations between hospitals, as well as between hospitals & health plans, are being established
 - Payer/provider partnerships:
 - Harvard Pilgrim s ElevateHealth
 - Tufts Health Freedom Plan

Healthcare System



WHAT IS DRIVING COST?

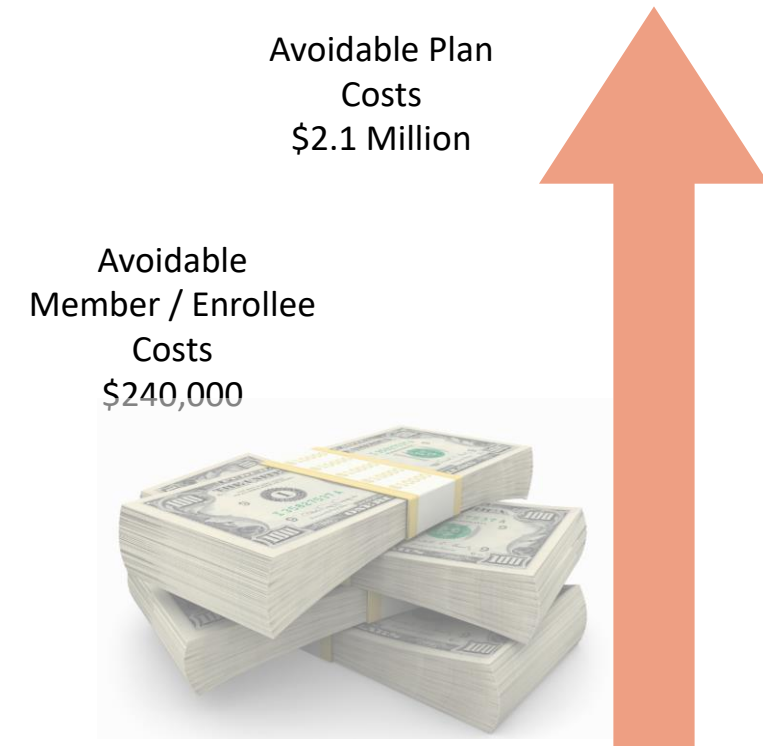
- Provider pricing and increased utilization of services
- More expensive new technologies and specialty prescription drugs
- Utilizing Higher Priced Providers
- Avoidable ER Visits
- Age of Enrollees & Condition Management



TOP 10 POTENTIALLY AVOIDABLE ER DIAGNOSES

Top 10 Potentially Avoidable ER Diagnosis

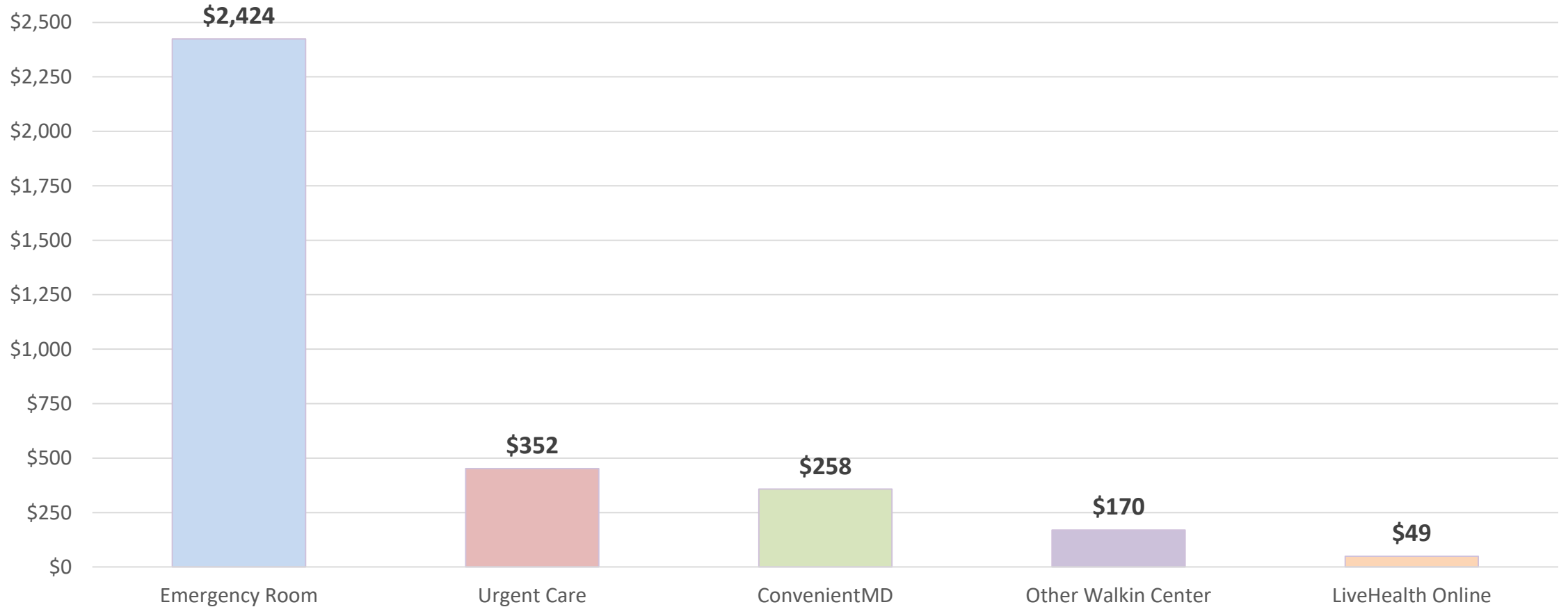
Diagnosis	# Visits	Plan Paid	Paid/Visit	Member Cost	Member Cost/Visit
Headache	123	\$260,723	\$2,120	\$38,354	\$312
Urinary Tract Infection Site not Specified	98	\$173,290	\$,768	\$16,916	\$173
Acute Upper Respiratory Infection Unspecified	91	\$88,389	\$9,71	\$17,356	\$191
Nausea with vomiting Unspecified	91	\$203,055	\$2,231	\$20,613	\$227
Fever Unspecified	88	\$146,959	\$1,670	\$22,654	\$257
Low Back Pain	80	\$147,781	\$1,847	\$14,669	\$183
Constipation Unspecified	65	\$122,171	\$1,880	\$8,931	\$137
Vomiting Unspecified	63	\$92,440	\$1,467	\$14,740	\$234
Acute Pharyngitis Unspecified	59	\$50,160	\$850	\$14,092	\$239
Diarrhea Unspecified	53	\$115,339	\$2,176	\$15,415	\$291



Based on Anthem Data - Potentially Avoidable ER Diagnosis

Claims Paid May 2018 to Apr 2019

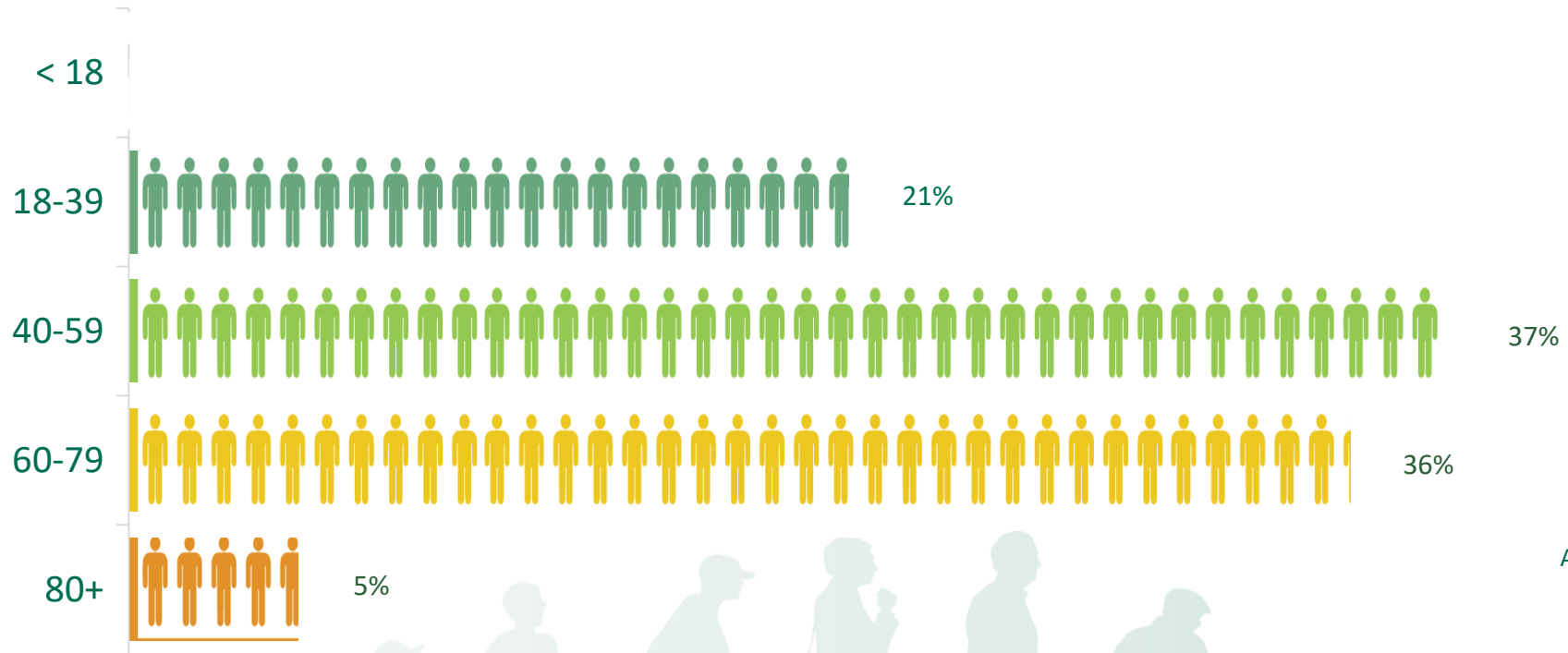
COMPARISON OF ER, URGENT CARE AND WALK-IN CARE COST/VISIT BY PAID QUARTER



Claims Paid Feb. – April 2019

AGING POPULATION

HealthTrust Medical Enrollees by Age Band



As of July 1, 2020



MEDICAL PLANS



Medical Plans

Health Maintenance Organization (HMO): By managing Enrollees' total healthcare within a network and emphasizing preventive care, an HMO is easy-to-use and generally offers the least in out-of-pocket costs. A Primary Care Provider (PCP) selected from the network coordinates the majority of an individual's care, ensuring consistency and continuity of care. Some HMO plans require PCP referrals for specialty care and allow out-of-network referrals.

Site of Service type plans (SOS): An HMO plan where the Enrollee would choose a PCP from a network of medical providers throughout the six New England states. ***The difference:*** This plan offers a preferred cost-effective network for medical labs, radiology services and certain outpatient surgeries. If the Enrollee selects a provider from the preferred cost-effective network, they can reduce their costs and avoid paying deductible expenses. If the Enrollee chooses another provider within the network, they may pay more, and the cost will be subject to their deductible.

Medical Plans

Point of Service (POS): The BlueChoice Point-of-Service plans offer a low cost sharing structure with the flexibility to obtain care from a provider of choice inside or outside the network. HealthTrust offers two BlueChoice options: One provides a three-tier approach to accessing healthcare, while the other is structured as a two-tier approach. POS plans provide the option for care to be coordinated through a PCP to pay the least in out-of-pocket expenses or individuals may self-refer care to network or out-of-network providers and pay higher costs.

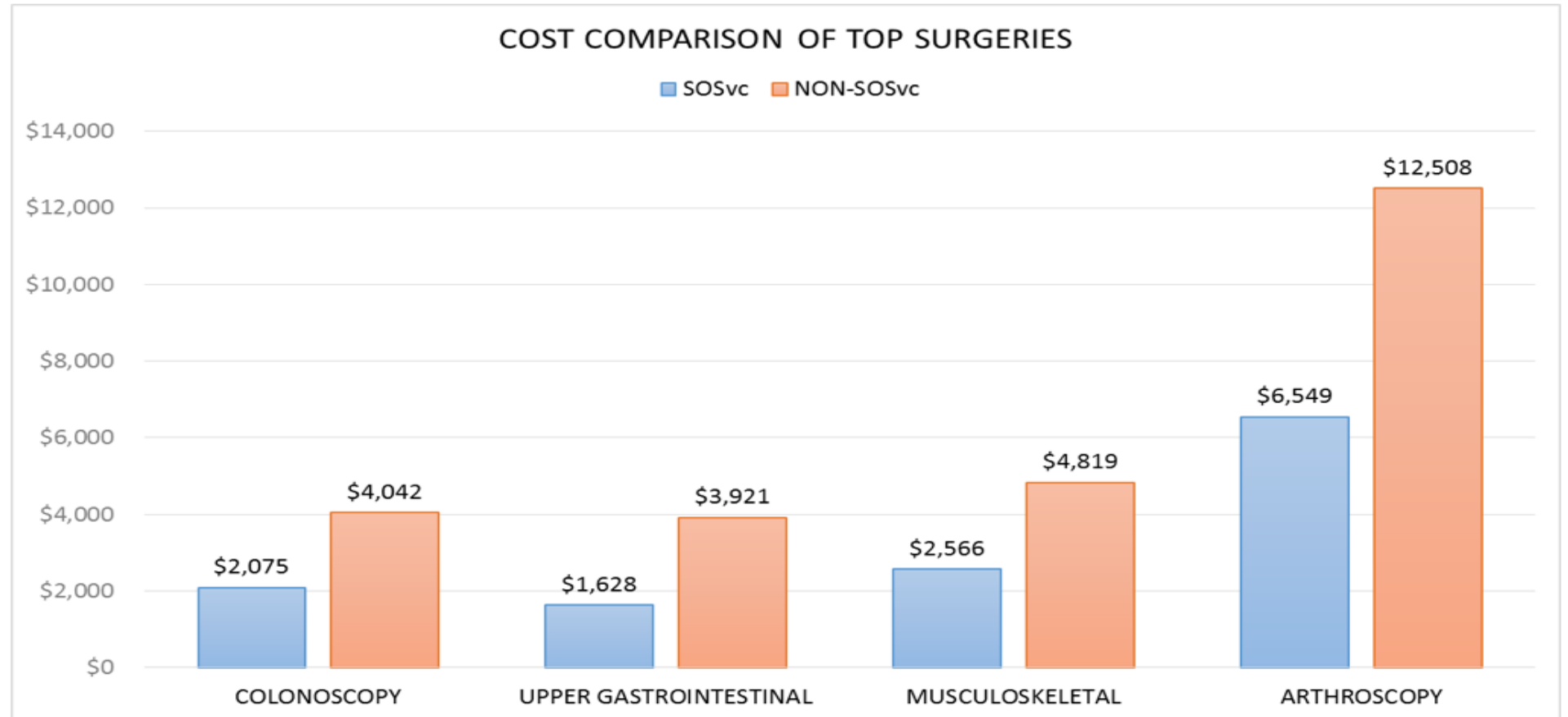
High Deductible Health Plan (HDHP): Provides Enrollees access to care from any provider and the costs are lower if the Enrollee sees an in-network provider. All covered medical and prescription expenses, with the exception of in-network preventive care services, are subject to the deductible and/or coinsurance. Once Enrollees meet their deductible and/or coinsurance maximum, covered medical and prescription expenses are paid in full. If the Enrollee seeks care out-of-network, their costs are generally higher. The HDHP plans are qualified plans to be used in conjunction with a Health Savings Account (HSA).

MEDICAL PLANS

Site of Service Difference

The difference: This type of plan offers a preferred cost-effective network for medical labs, radiology services and certain outpatient surgeries. If the Enrollee selects a provider from the preferred cost-effective network, they can reduce their costs.

If the Enrollee chooses another provider within the network, they may pay more, and the cost will be subject to their deductible.



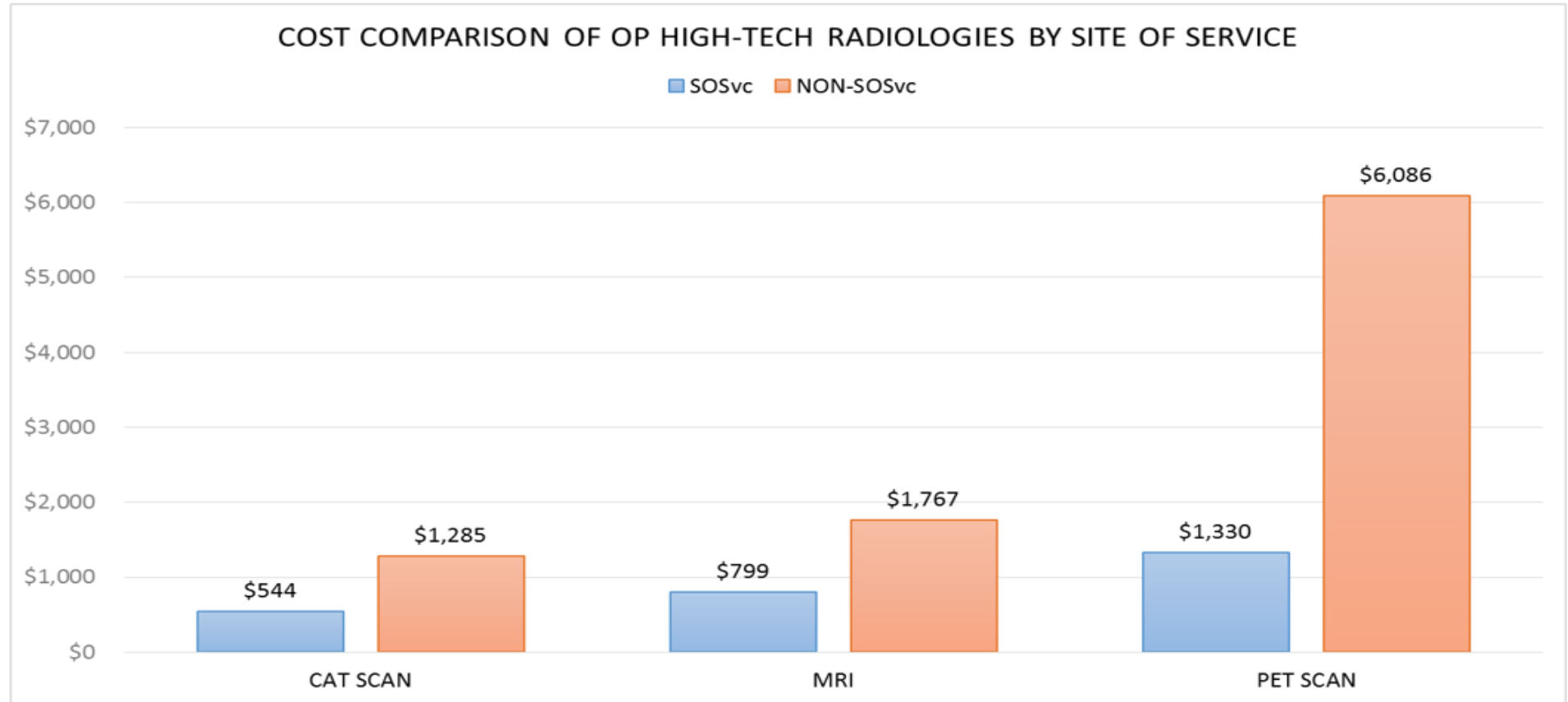
Current Period: Paid 12 Months Ending Apr 2019

MEDICAL PLANS

Site of Service Difference

Utilizing Site of Service providers can lower claims costs.

Approximately **92%** of contributions are for claims expenses.



Current Period: Paid 12 Months Ending Apr 2019

Medicare Supplemental Plan

While Medicare provides a basic healthcare foundation for individuals age 65 and older and Medicare-disabled individuals, HealthTrust offers supplemental medical coverage (Medicomp Three) to Retirees. Medicomp Three consists of two parts - Medicare Complementary Benefits and Major Medical Benefits. The Medicomp Three plan is available with or without prescription drug coverage.

Medicare Complementary Benefits: Medicare Parts A and B pay benefits after the Retiree has met certain deductibles and/or coinsurance. This means, Retirees covered only through Medicare will likely have to pay for some of their care.

However, the Medicomp Three Medicare Complementary Benefits cover 100 percent of Medicare Parts A and B required deductibles and coinsurance amounts. This means the Retiree's out-of-pocket cost for care is lowered or eliminated.

Major Medical Benefits: This coverage is an addition to a Retiree's Medicare Complementary Benefits. Major Medical Benefits do not duplicate coverage that is available under Medicare Part A, Medicare Part B or Medicare Complementary Benefits³

MEDICAL PLANS

Medical and Prescription Benefit Options

7/1/2020 - 6/30/2021

Member Groups may choose ONE medical plan from each colored section with a maximum of three medical options per employee group. One prescription plan may be chosen per medical plan.

Medical Plan Type	BlueChoice POS	Access Blue New England HMO	Access Blue New England HMO with Deductible				
Plan Name	BC2T20	AB20	AB15IPDED	AB15/40IPDED	ABSOS20/40/1KDED	ABSOS25/50/3KDED	ABSOS30/60/5KDED
Visit Copay	\$20	\$20	\$15	\$15	\$20	\$25	\$30
Specialty Visit Copay	\$20	\$20	\$15	\$40	\$40	\$50	\$60
Walk-In Center Copay	\$20	\$20	\$15	\$15	\$20	\$25	\$30
Urgent Care Copay	\$50	\$50	\$50	\$125	\$50	\$75	\$100
ER Copay	\$100	\$100	\$100	\$250	\$100	\$150	\$250
Standard Deductible (per person/per family)	\$250 / \$500 (self-referred only)	\$0	\$500 / \$1,500	\$1,000 / \$3,000	\$1,000 / \$3,000	\$3,000 / \$9,000	\$5,000 / \$12,000
Chiropractic Visits/Copay	35 / \$0	12 / \$20	12 / \$15	12 / \$15	Unlimited / \$20	Unlimited / \$25	Unlimited / \$30
Therapy Visits (PT/OT/ST)/Copay	Unlimited / \$0	60 / \$20	60 / \$15	60 / \$15	60 / \$20	60 / \$25	60 / \$30
Acupuncture Visits/Copay	N/A	N/A	N/A	12 / \$15	12 / \$20	12 / \$25	12 / \$30
Durable Medical Equipment	\$100 deductible, then you pay 20%	You pay 20%	\$100 deductible, then you pay 20%	\$100 deductible, then you pay 20%	\$100 deductible, then you pay 20%	\$100 deductible, then you pay 20%	\$100 deductible, then you pay 20%
MRI, CT scan, PET, MRA	You pay \$0	You pay \$0	Standard Deductible	Standard Deductible	You pay \$0 at SOS providers. Otherwise, Standard Deductible	You pay \$0 at SOS providers. Otherwise, Standard Deductible	You pay \$125 at SOS providers. Otherwise, Standard Deductible
X-Rays and Ultrasounds	You pay \$0	You pay \$0	You pay \$0	You pay \$0	You pay \$0 at SOS providers. Otherwise, Standard Deductible	You pay \$0 at SOS providers. Otherwise, Standard Deductible	You pay \$125 at SOS providers. Otherwise, Standard Deductible
Labs (including allergy testing)	You pay \$0	You pay \$0	You pay \$0	You pay \$0	You pay \$0 at SOS providers. Otherwise, Standard Deductible	You pay \$0 at SOS providers. Otherwise, Standard Deductible	You pay \$0 at SOS providers. Otherwise, Standard Deductible
Maximum Out-of-Pocket (medical and RX expenses combined)	\$3,000 / \$6,000	\$3,000 / \$6,000	\$3,000 / \$6,000	\$5,000 / \$10,000	\$5,000 / \$10,000	\$5,000 / \$10,000	\$7,150 / \$14,300



Disclaimer: This chart is intended for summary purposes only. Details of coverage are set forth in separate documents, which govern these plans.

MEDICAL PLANS

Medical and Prescription Benefit Options
7/1/2020 - 6/30/2021

Member Groups may choose ONE medical plan from each colored section with a maximum of three medical options per employee group. One prescription plan may be chosen per medical plan.



Medical Plan Type	High Deductible Health Plan (HSA Qualified)	
	LUMENOS2500	ABHD/5K/20COIN
Standard Deductible	\$2,500 per person / \$5,000 per 2-person or family (1)	\$5,000 per person / \$10,000 per family
Standard Coinsurance	0% (In-Network); 30% (Out-of-Network)	20%
Coinsurance Maximum	N/A (In-Network); \$2,500 / \$5,000 (Out-of-Network) (1)	\$1,550 per person, per year; \$3,100 per family, per year
Chiropractic Visits	Unlimited	Unlimited
Therapy Visits (PT/OT/ST)	60 Visits	60 Visits
Acupuncture Visits	12 Visits	12 Visits
Durable Medical Equipment	Standard Deductible and/or Coinsurance	Standard Deductible and/or Coinsurance
Prescription Drugs	Standard Deductible and/or Coinsurance	Standard Deductible and/or Coinsurance
Maximum Out-of-Pocket (medical and RX expenses combined)	\$2,500 / \$5,000 (In-Network); \$5,000 / \$10,000 (Out-of-Network) (1)	\$6,550 / \$13,100

(1) For LUMENOS2500: If you are enrolled at the 2-person or family level, eligible expenses incurred by you or any of your enrolled family members count toward satisfying the entire 2-person/family deductible and/or coinsurance.

Disclaimer: This chart is intended for summary purposes only. Details of coverage are set forth in separate documents, which govern these plans.

MEDICAL PLANS - HOW THEY WORK

HealthTrust Medical plans	Access Blue New England HMO	OR Access Blue New England Site of Service	OR BlueChoice Point of Service (POS)	OR Lumenos HDHP
<p>How the plan works:</p>	<p>You choose a Primary Care Provider (PCP) from a network of medical providers throughout the six New England states (CT, MA, ME, NH, RI and VT). You can choose one PCP for your family or different PCPs for each covered family member.</p> <p>You have access to in-network primary care, specialist care, urgent care, hospitals and other medical facilities anywhere in New England without a referral.</p> <p>PCP referral is required to see an out-of-network specialist.</p>	<p>This plan works similarly to the Access Blue New England HMO plan: You choose a Primary Care Provider (PCP) from a network of medical providers throughout the six New England states.</p> <p>The difference: This plan offers a preferred cost-effective network for medical labs, radiology services and certain outpatient surgeries. If you select a provider from the preferred cost-effective network, you can reduce your own costs. If you choose another provider within the network, you may pay more, and your cost will be applied toward your deductible.</p> <p>PCP referral is required to see an out-of-network specialist.</p>	<p>Each time you or your covered family member need care, you can choose to see your PCP or another provider inside or outside of the BlueChoice network.</p> <p>If your PCP coordinates your care, you pay the least in out-of-pocket expenses. If you self-refer to an in-network or out-of-network provider, your costs will be higher.</p>	<p>You can access care from any provider; costs are lower if you see an in-network provider.</p> <p>This is a high deductible health plan that qualifies to be used in conjunction with a Health Savings Account (HSA). All covered medical and prescription expenses, with the exception of in-network preventive care services, are applied toward the deductible.</p> <p>Once you meet your deductible, covered medical and prescription expenses are paid in full if you use a network provider. If you seek care out of network, your out-of-pocket costs are higher.</p>

Prescription Medication Coverage



- All medical plans include prescription medication benefits for short-term and long-term needs that support Enrollees' overall health, treat illness or chronic disease and manage pain. Preventive medications, including vaccines, are generally covered in full.
- 30-day or 90-day supply options for filling covered prescription medications through a network retail pharmacy or mail service.
- Many prescription plans include a formulary list of covered medications.
- Prescription plans may have certain dispensing or coverage limitations, such as requiring the use of the mail service pharmacy or designated retail pharmacy for long-term medications, step therapy where a generic is required first before the brand name will be covered, quantity limits for certain medications, prior authorizations, and more.
- Special Note for High Deductible Health Plans: Although some preventive medications are covered in full, most prescription medications will be subject to the Standard Deductible and/or Coinsurance. Individuals may be paying the full cost of their prescriptions for a while, especially if it is in the beginning of the plan year.

DENTAL COVERAGE

[JULY 2020 – JUNE 2021]

HealthTrust
Dental Coverage

Northeast Delta Dental pays participating dentists directly so patients do not have to pay the covered amount up front and wait for reimbursement.



Why Offer Dental Benefits to Your Employees?
Good Oral Health = Good Health!

Regular professional cleanings to remove plaque and hard deposits such as calculus (tartar) and stains are important for maintaining good oral health and can help prevent the progression of periodontal (gum) disease, which can lead to active infections and tooth loss.

There is also evidence that periodontal disease may be linked to medical conditions, including diabetes, heart disease and low weight, preterm birth.

DELTA DENTAL: We have collaborated with Northeast Delta Dental for over 20 years to provide our Member Groups and Enrollees with an extensive local and national network of participating dentists and comprehensive benefits. Member Groups have access to HealthTrust's exemplary Enrollee Services team and superior dental benefits.

Health through Oral Wellness® (HOW®)

HealthTrust Dental plans include Northeast Delta Dental's industry-leading Health through Oral Wellness® (HOW®) program at no additional charge. HOW® provides additional preventive benefits to covered individuals who are at risk for oral disease, thereby helping them achieve better oral and overall health. At-risk individuals are identified through the use of a clinical risk assessment tool. Eligible individuals receive additional benefits based on their oral health condition.



Extensive Network of Participating Dentists
Northeast Delta Dental enjoys a unique relationship with nearly three out of every four dentists throughout the United States. These are dentists who participate with Northeast Delta Dental throughout New Hampshire, Maine and Vermont, as well as Delta Dental Premier participating dentists nationally.

Covered individuals are free to seek dental care from any dentist—participating or nonparticipating. They will get the best value from their dental benefits when accessing dental care from one of Delta Dental's PPO or Premier network participating dentists, including:

- **No Balance Billing** – Patients cannot be billed the difference between a participating dentist's submitted charge and Delta Dental's approved amount.
- **Less Paperwork** – Participating dentists complete and submit dental claim forms directly to Northeast Delta Dental.
- **Direct Payment** – Northeast Delta Dental pays the participating dentist directly so patients do not have to pay the covered amount up front and wait for reimbursement.

Vision Discount Program

Routine eye care is an important part of your overall health. That's why Health Trust collaborates with Northeast Delta Dental to offer a vision discount program to all enrolled in dental plan coverage. These discounts are available at thousands of eye care providers nationwide including private practicing optometrists, ophthalmologists, opticians and leading optical retailers such as Target Optical, LensCrafters and Pearle Vision.

800.527.5001 • www.healthtrustnh.org

Dental Coverage

- Plans can include coverage for services at differing levels.
- May select to cover adult or children orthodontics.
- Deductibles differ per plan.
- Plan year amounts for benefit maximum differ per plan.



BENEFITS

COVERAGE A (no deductible)*

Diagnostic: Evaluations; X-rays
Preventive: Cleanings (4x per Calendar Year); fluoride; space maintainers; sealants for children

COVERAGE B*

Fillings - Amalgam (silver) and composite (white); extractions; root canal therapy; periodontal treatment; repair of a removable denture; emergency treatment

COVERAGE C*

Prosthodontics: Removable and fixed partial dentures (bridges); crowns; dentures; onlays; implants

COVERAGE D*+

Orthodontics: Correction of crooked teeth for dependent children to age 19

DEDUCTIBLE (person/family) per Plan Year (for Coverages B & C)

Benefit Maximum per person, per Plan Year

DEDUCTIBLES

BlueShield logo and text: "Schedule is an important part of Your Subscriber Certificate and is an outline of Your coverage. Do not rely on this outline of coverage with Your Certificate because it contains important information about coverage and limitations. Please read Your Certificate carefully as important terms and limitations apply."

Summary

	YOUR COST
Walk-In time You visit Your Network Primary Care Provider	\$15 per visit
Specialty Visit Copayment	\$15 per visit
Walk-In Center Copayment	\$15 per visit
Urgent Care Facility Copayment	\$50 per visit
Emergency Room Copayment	\$100 per visit
Standard Deductible	\$500 per Member, per year
Standard Coinsurance	\$1,500 per family, per year
Coinsurance Maximum	N/A
Durable Medical Equipment, Medical Supplies and Prosthetics	
Deductible	
Coinsurance	
Out-of-Pocket Limit	
The Out-of-Pocket Limit includes all Deductible expenses under this medical plan and you do not have to pay additional amounts.	

DEDUCTIBLES

How Deductibles Work

Deductible is the amount an Enrollee will have to pay for medical services before the medical plan benefits begin. For example, if the plan carries a \$500 deductible, each plan year the Enrollee will need to pay the first \$500 of the medical expenses before the plan begins to pay at least part of the Enrollee's medical costs.


Often confused with:

Out-of-Pocket Limit is the maximum amount an Enrollee has to pay out-of-pocket for covered medical and prescription expenses. This includes all deductibles, coinsurance, and copayments. It does not include the premium, amounts over the Maximum Allowable Amount (MAA), penalties, or charges for non-covered services. Once the combined medical/prescription out-of-pocket limit is satisfied, the Enrollee will not have to pay additional deductibles, coinsurance, or copayments for the rest of the plan year.

STRATEGIES TO OFFSET HIGHER DEDUCTIBLES



STRATEGIES TO OFFSET HIGHER DEDUCTIBLES



Department of the Treasury
Internal Revenue Service

Publication 969
Cat. No. 24216S

Health Savings Accounts and Other Tax-Favored Health Plans



HSA
Health Savings Account



HRA
Health Reimbursement Arrangement



FSA
Flexible Spending Account

HSA

Health Savings Account

- Combined Limit (CY2021) – \$3,600 single/\$7,200 2P or Fam; \$1,000 catch-up for age 55
- Contributions are pre-tax or tax deductible in conjunction with a HDHP
- You can withdraw your HSA funds - with no taxes or penalties for qualified medical expenses.
- HSA contributions can be made at any time throughout the year, or all at once
- Funds remain in Employee account

HRA

Health Reimbursement Arrangement


- Must be funded solely by an employer
- Employees are reimbursed tax free for qualified medical expenses to a maximum dollar amount for a coverage period
- HRA may be offered with other health plans, including FSAs
- Unused funds are typically forfeited at the end of the plan year (but may be rolled to the following year if allowed by the plan terms)

FSA

Flexible Spending Account

- 2020 Health FSA Contribution Limits – **Employee:** Up to \$2,750; **Employer:** \$500 (unless employer matches employee contributions). Dependent Care FSA \$5,000
- Tax savings – 20% to 35% on qualified medical expenses paid for with the Health FSA
- Funds are deducted from paycheck in equal installments; available on day one of your plan year (Health FSA only)
- Unused funds are forfeited at end of plan year ("use-or-lose"). Only exceptions are either 2 1/2 month grace period or up to a \$550 carryover if available under plan terms

BENEFIT ADVANTAGE



HealthTrust
Benefit Advantage

**Comprehensive Services
and Cost Savings Through
Smart Plan Designs**

HealthTrust Benefit Advantage is our enhanced Flexible Spending Account (FSA) and Health Reimbursement Arrangement (HRA) administrative services, provided in collaboration with Benefit Strategies. HealthTrust will help you evaluate and choose plan design options and provide support, administration and training for your employees.


What are FSAs and HRAs?

FSAs and HRAs are tax-favored arrangements for qualified expenses. They can be valuable tools for managing medical plan costs for both employers and employees.

- FSAs are primarily employee-funded accounts in which money is deposited pre-tax to pay for qualified medical expenses and/or dependent care expenses throughout the plan year.
- HRAs are employer-funded arrangements that reimburse employees for qualified medical expenses, such as deductibles, incurred under the employer's medical plan.


The HealthTrust Advantage for Member Groups

- Exceptional service and account administration
- Plan documents included at no cost
- Support and on-site training
- Tax savings for FSA contributions
- Benefit Advantage Debit Card featuring smart card technology, allowing Health FSA and Dependent Care Account on the same card
- Automatic participant deductible reimbursements for HRAs
- No pre-funding necessary for HRAs; monthly billing for claims reimbursements
- No administrative or participant fees for participants enrolled in the following HealthTrust medical plans: AB15/40IPDED, ABSOS20/40/1KDED, ABSOS25/50/3KDED, ABSOS30/60/5KDED, ABHD/5K/20COIN and LUMENOS2500
- User-friendly Benefit Advantage Web Portal and Mobile App



The HealthTrust Advantage for Participants

- FSA participant tax savings of 20-35% on contributions deducted from their pay
- No forms to fill out - automatic deductible reimbursement for HRAs
- Reimbursements provided three times a week via check or direct deposit
- Funds available for Health FSAs and HRAs on the first day of the new plan year
- User-friendly Benefit Advantage Web Portal and Mobile App



Contact your HealthTrust Benefits Advisor to learn more! See rate information on other side.

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- FSAs are primarily employee-funded accounts in which money is deposited pre-tax to pay for qualified medical expenses and/or dependent care expenses throughout the plan year.
- HRAs are employer-funded arrangements that reimburse employees for qualified medical expenses, such as deductibles, incurred under the employer's medical plan.

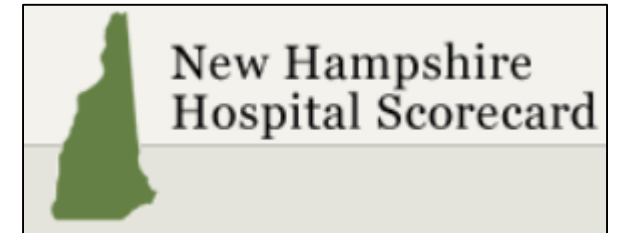
CONSUMERISM

Employers and Employees can influence claims costs and future rates

- Shop for services – create a savvy healthcare consumer
- Wellness – Biometrics, Coaching and condition management

Education is the key

- How to use the benefit plan
 - The Right Care at the Right Time
 - Proper use of ER/Urgent Care/PCPs
- Asking questions & Shopping
- Annual Exams & Biometrics
- Generic Drugs - Understanding the costs of prescriptions



CHANGING PLANS



EMPLOYEE BUY IN

Employee Buy In Process



DESIRED OUTCOMES

Overall reduction in contribution – can impact both employer and employee share:

- Support from Elected Boards
- Support from Taxpayer

Provides comprehensive coverage with valuable resources:

- Creates buy-in
- Provides choices
- Increases consumerism

Increased consumerism can reduce claims – ripple effect:

- Stabilizes rates
- Reduces cost to employers
- Reduces cost to employee

FUTURE OF HEALTHCARE



FUTURE OF HEALTHCARE

Future of HealthCare:

- National Trend is increasing
- Further transition to higher deductible health plans
- Increased Consumerism
- Continued Growth of Telehealth
 - Medical
 - Behavioral
- Increased availability of Digital Tools and resources



FUTURE OF HEALTHCARE



- Healthcare premiums continue to grow faster than employees' pay
- Affordability for employers and employees still a major issue
- Trend is largest component of annual cost projection
 - Trend is an estimate of the amount that medical costs and utilization will increase



Healthcare trend rates have been in single digits for the last 5 years (CY, 2015 – 2019) (pre-COVID-19)

- National average: 5% - 6%
- HealthTrust average: 5.3%

2020 – 2021 Trend Forecast (including impact of COVID-19)

- Nationally: 4% - 10%
 - *Wide range due to COVID-19 impact*
- HealthTrust: 5.2% (4.8% Medical; 6.4% Prescription Drugs)
- All trend rates are on incurred claims, before plan changes, after Rx contract changes

RATING & RENEWALS



RENEWAL

HealthTrust Renewal

The anniversary date for a Group, also referred to as the renewal or open enrollment, is the first day of the month in which a Group renews their medical coverage with HealthTrust. It is also a time when contribution rates may be adjusted. The anniversary date for HealthTrust Member Groups is either January or July.

During the open enrollment period, employees may:

- Make changes to their enrollment (e.g., enroll a spouse who was not previously enrolled)
- Apply for group medical plan coverage if they previously declined coverage when first eligible to participate
- Change plan coverages (e.g., BlueChoice to Access Blue New England)

HealthTrust Medical Rating Tiers

Defines a Member's size for purposes of rating their medical coverage:

- Large Groups - 51 and over eligible employees for rating purposes - experience rated
- Small Groups - 50 and under eligible employees for rating purposes - community rated
- Eligible Employees includes: Active Employees, Retirees and COBRA beneficiaries

Rate Setting Process

- Actuarial review of historical claims data projected forward using latest trend forecast.
- Public Hearings held on suggested renewal rates for feedback.
- Final Board of Directors meeting in the fall to consider feedback and finalize renewal rates.
- January rate set & July Guaranteed Maximum Rate (GMR) set in October.
- HealthTrust Board will establish final July “revisit “ rates in late March/early April.



COVID-19 & AFFORDABLE CARE ACT UPDATES



COVID-19 UPDATES

Medical Cost Sharing Waiver COVID-19

- HealthTrust waived cost-sharing as required by federal and state law with respect to the initial diagnostic visit and testing as well as in-network medically necessary treatment of COVID-19 delivered via telehealth.
- The HealthTrust Board voluntarily extended the waiver eliminating all cost shares for individuals covered by a HealthTrust medical plan as long as they receive medically necessary treatment for COVID-19 from doctors, hospitals, and other healthcare professionals in their plan's network through December 31, 2020.

Flexible Spending Accounts

IRS Notices 2020-29 & 2020-33

- Extended Period to Incur Health FSA and DCAP Account Expenses for 2019 Plan Year.
- Prospective Mid-Year Election Changes during the 2020 Calendar Year.
- Increased Carryover Amounts for 2020 Plan Year and Beyond.

CARES Act

- Allows reimbursement of expenses for Over-the-Counter (OTC) medications **without** a prescription.

Dental Coverage

Dental Plan Maximum Increase

Access the Services You Need for a Healthy Smile

HealthTrust has good news for you regarding your dental plan coverage!

We understand the COVID-19 pandemic may have caused your dentist's office to close for a while, limiting the time you could fully use your dental benefits. That's why HealthTrust is increasing the upcoming Plan Year benefit maximum by 50 percent* to help you access the dental services you need.

For example, if your current maximum is \$1,000, a 50% increase equals \$500 more – or a maximum of \$1,500 for your upcoming Plan Year.



We hope this one-time, temporary increase in the Plan Year dental benefit maximum for the period of July 1, 2020 - June 30, 2021 will assist you in taking full advantage of any dental care you may have delayed.

*Please note, lifetime orthodontic maximums are not changing.

AFFORDABLE CARE ACT

Recent changes:

- Individual Mandate Penalty is reduced to \$0 (Prior amount - \$695 or 2.5% of income for 2016-2018)
- Excise (“Cadillac”) Tax on High Cost Plans Repealed December 2019

Affordable Care Act provides certain rights and protections:

- Requires Insurance Plans to cover people with pre-existing health conditions without charging more.
- Free Preventive Care without cost sharing.
- Dependents can be covered to age 26.
- Summary of Benefits and Coverages to help make coverages easier to understand.
- Applicable Large Employers (ALEs) to offer affordable health coverages to full-time employees or pay penalties.
- IRS Reporting for ALE’s – offers and affordability of coverage for full-time employees.

** Affordable Care Act established other rights, protections and reporting requirements. See ACA Law for more details.*

ANCILLARY COVERAGES



Life Coverage

Life Coverage

We'll Be There When You Need Us Most

As a public employer, you make decisions that affect your employees every day. Offering them life coverage is one decision that can have a profound impact on the quality of life for your employees and their families.

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- An Accidental Death and Dismemberment (AD&D) benefit is provided automatically with any Life coverage and can often double the value of the coverage.
- Increased benefits are offered for beneficiaries of covered individuals who were wearing seatbelts at the time of death. Coverage allows terminally ill employees to receive part of their benefit for immediate use.
- A Life Waiver of Premium component is included with all plans. This waiver allows employees disabled prior to age 70 and who have been disabled for three months to keep their Life coverage free of charge for as long as they remain totally disabled, up to retirement or age 75.
- Our Conversion Benefit allows employees to take their policy with them if they leave your Group's employment.

SHORT & LONG TERM

Short-term Disability Coverage (STD)

Purpose: When sick leave is not enough, STD provides employees a percentage of their salary if they become temporarily disabled and are unable to work for a short period of time.

Long-term Disability Coverage (LTD)

Purpose: LTD picks up where sick leave or STD ends to provide income over a longer period.

Why Provide Disability Coverage?

Most Americans live paycheck to paycheck. All it takes is one setback – one injury or illness – to put them on a path toward financial ruin. Medical problems contribute to 62 percent of all personal bankruptcies and more than half of all home foreclosures, according to the Council for Disability Awareness.

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Disability coverage is a safety net that can prevent a health issue from becoming a financial crisis. By choosing HealthTrust you can offer your employees short-term disability and long-term disability coverage for low costs, making your benefits package more robust, and ensuring your employees have the protection they need.

- **Your employees need this coverage. More than one in four people will experience a disability** before reaching age 67, according to the Social Security Administration, and studies reveal nearly half of Americans don't have enough savings to cover an emergency.
- **Your employees want this coverage.** Providing disability coverage can help you recruit and retain the best employees. When surveyed, nearly **9 out of 10 workers** say having disability coverage is important to them and they would be willing to pay at least some of the monthly premiums to have it.
- **You can protect your employees for low costs to your group.** Disability coverage is a cost-effective way to make your benefits package more robust.
- **You can reduce "presenteeism."** Having your employees at work isn't enough; they also need to be productive. Presenteeism (sick, injured or otherwise distressed employees coming to work, but underperforming) accounts for as much as 75 percent of lost employee productivity in the U.S. Disability coverage can reduce presenteeism and allow your employees to recover from sickness and injury so they are fully productive when they return to work.
- **Your employees know you care.** Adding disability coverage to your benefits package shows your employees you want them to be protected, no matter what challenges arise.

HealthTrust's Short-Term Disability (STD) Coverage

Purpose: When sick leave is not enough, STD provides employees a percentage of their salary if they become temporarily disabled and are unable to work for a short period of time.

- Administered directly by HealthTrust. All claims are processed in-house within seven days, usually sooner.
- Several plan options are available that typically pay 60 or 66^{2/3} percent of an employee's income for up to 13 or 26 weeks, depending on the plan.
- Available for active employees who work at least 20 hours per week.
- We can customize benefits to your group's specific needs.
- HealthTrust sends the gross benefit check directly to you, the Member group. This process allows you to re-issue the benefit to the employee as payroll and deduct all applicable withholdings, such as retirement and insurance premiums.
- Existing employees of groups new to HealthTrust are covered beginning the first day the employer's HealthTrust coverage becomes active.
- New employees of HealthTrust groups can be eligible as soon as the first day of the month following the date of hire.
- Benefit waiting periods are customizable and can be set for both accident- and illness-related disabilities. One common example: Benefits could be payable one calendar day after an accident or eight calendar days after the onset of an illness.

HealthTrust's Long-Term Disability (LTD) Coverage

Purpose: LTD picks up where sick leave or STD ends to provide income over a longer period.

- Provided in partnership with National Insurance Services and Madison National Life Insurance Company, who, like HealthTrust, cover the public sector exclusively.
- Typically pays 60 percent of an employee's wages and may begin as early as 90 or 180 days after a disability-causing event.
- Can be coordinated to begin when short-term disability plan ends for uninterrupted benefits.
- Once the LTD claim is approved, there are no monthly premiums.
- Helps employees transition back to work, when possible.
 - All LTD plans offer a progressive partial benefit for employees who are able to return to work part-time.
 - LTD coverage includes a rehabilitation benefit including vocational training or education intended to assist the employees to return to work full-time.
- Employees who are completely disabled while completing the duties of a job and who cannot return to work can collect LTD benefits up to retirement age (subject to certain offsets).
- LTD coverage offers a survivor benefit.

CASE STUDY

Carol, bookkeeper in a school office

Disabling event: A complicated pregnancy caused her to be bedridden before delivery and required a Caesarean section.

Out of work: 16 weeks

Weekly salary: \$499.96

Short-term disability benefit: 66.67% of her weekly wage

Outcome: Carol received \$333.32/week, for a total of \$5,333.12 over 16 weeks and was able to recover completely before returning to work.

STD premium: \$16.38 per month

CASE STUDY

Bill, firefighter

Disabling event: Fell off a ladder at home and hit his head, resulting in a subdural hematoma, traumatic brain injury.

Out of work: Indefinitely

Weekly salary: \$1,029.42

Short-Term Disability Benefit: 66.67% of his weekly income. For the 26 weeks of his STD benefit, Bill received a total of \$17,844.06 or \$686.31/week.

Long-Term Disability Benefit: When his STD ran out, Bill transitioned to LTD, which provided 60 percent of his full-time monthly salary, or \$2,676.49 per month. He will receive this amount until he can return to work or becomes eligible for Social Security.

Outcome: Although he has been unable to return to work, Bill's family is making ends meet with some savings and his disability payments.

STD Premium: \$18.06 per month
LTD Premium: \$19.13 per month

CASE STUDY

George, DPW Worker

Disabling event: Suffered a heart attack while playing basketball with friends; required bypass surgery.

Out of work: 8 months

Weekly salary: \$801.60

Long-term disability benefit: 60% of his monthly income or \$2,084.16 per month.

Outcome: Ninety days after his heart attack, his sick leave and savings depleted, George began receiving his long-term disability checks, which enabled him to pay his bills until he could return to work.

LTD premium: \$16.58 per month

OBTAINING A PROPOSAL



Obtaining Proposal / Issuing RFP

- Provide Census



- Active, Retirees, COBRA
- De-identified
- Include DOB, Gender, Zip Code, Plan, Membership type

- Provide Claims

- Two years experience
- Include Prescription Drugs and Large Claims

- Benefit Summaries or SBC's

- Current Rates

- HIPPA Considerations



- Breaches
- Consequences
- Secure email process for sending / receiving

- RFP Response

- Question period for clarification
- Specify method of delivery
- 2-3 week turnaround



QUESTIONS?