



BENEFIT ADMINISTRATION:
STRATEGIC DESIGN
& EXECUTION

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AGENDA

- Evaluation
- Research
- What's Driving Your Bus
- Flavors of the Day
- Funding Sources
- Taking it to the Next Step
- Closing the Loop




EVALUATION FIRST

- **Take a step back first**
- **Benefits planning should not be a knee-jerk reaction, don't rush in.**
- **Look at all aspects**
- **Get feedback from others.**
- **BREATHE!**



EVALUATE YOURSELF

- What are you able to do?
- What do you know/don't know?
- What do you don't know that you don't know?
- Who is your team?
- What kind of help do you need?
- What kind of power do you have?
- How can you get buy-in to your ideas?



UNDERSTAND YOUR ENVIRONMENT

- Know your clients? More than one pool?
- Know your market? What is available?
- Understand your Company's Financial Sheet.
- Know where you company is going? What will it look like next year, in 5 years?
- Know who your supporters are in the C-Suite.



KNOW WHERE YOUR BENEFITS ARE NOW

- Thoroughly understand what you are offering now.
- What is working and what is not working?
- Has it stayed up with the times for retention/ recruitment?
- Is it being utilized properly (education)?
- What is your experience factors?
- What is your customer satisfaction?




HOW DO YOU FIND THIS INFORMATION?


- Visit the past – Previous renewals
- Benchmark – Industry - State
- Survey – Employee – Management
- Create a Benefits Committee
- Find your “key” employees and ask their opinion.
- Look to your mission / vision.



KNOW WHERE YOU ARE FIRST...
IN ORDER TO KNOW WHERE YOU WANT TO GO.



COMMON SENSE?
Not so Common anymore?





WHAT'S DRIVING YOUR BUS? COST ISSUES?

Typical Ways you can Change your Cost:

- Change provider of services (i.e. – Premera vs. Aetna vs. MODA, etc.)
- Have employees pay more – Shift the cost
- Change the funding mechanisms of your plan – fully, level or self-funding.

WHAT'S DRIVING YOUR BUS? COST ISSUES?

Typical Ways you can Change your Cost (cont):

- Change your plan design (deductibles, type of plan, etc.)
- Implement different financial instruments
Add FSA, HSA, HRA, etc
- Improve the health of your population thru
Wellness programs and education

WHAT'S DRIVING YOUR BUSINESS
FEAR/COMPLIANCE?

- All the new Health Care Reform Laws?
- Fines and Taxes?
- Employee notifications?
- Properly designed programs that fit all the criteria?




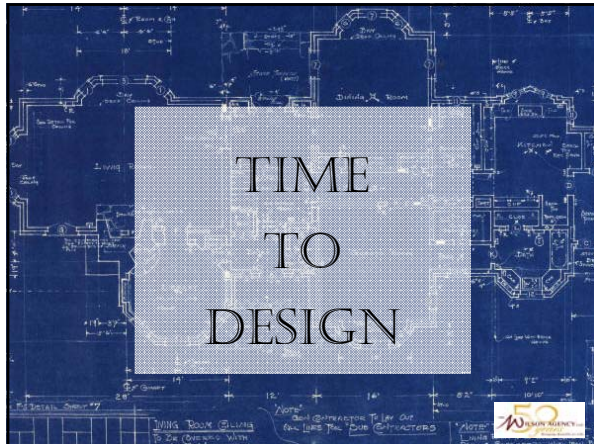
WHAT'S DRIVING YOUR BUSINESS
RETENTION/RECRUITMENT?

- Difficulty recruiting new talent?
- Keeping the talent you have?
- Creating a great place to work with great benefits?
- High morale and productivity?
- Growing the business because you have the right people?



HOMework DONE:
You know where you are.
What you have.
What drives you.









STRATEGIC DESIGN

Dealing with Uncertainty

- Continued escalating costs
- Maintaining benefit levels
- Potential Cadillac tax
- Pay or Play
- Funding mechanism

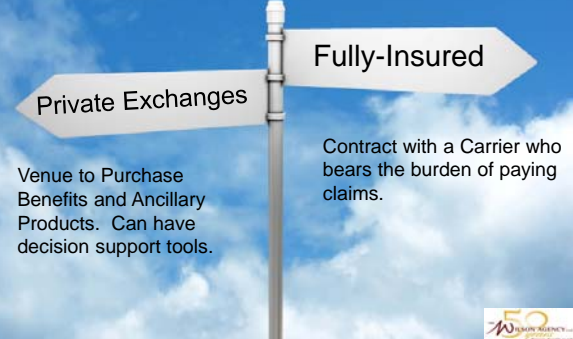


WHAT ARE YOU LOOKING FOR IN A PROGRAM?

Cost Control	Communication	Efficiency
Compliance	Education	Advocacy




FLAVOR OF THE DAY

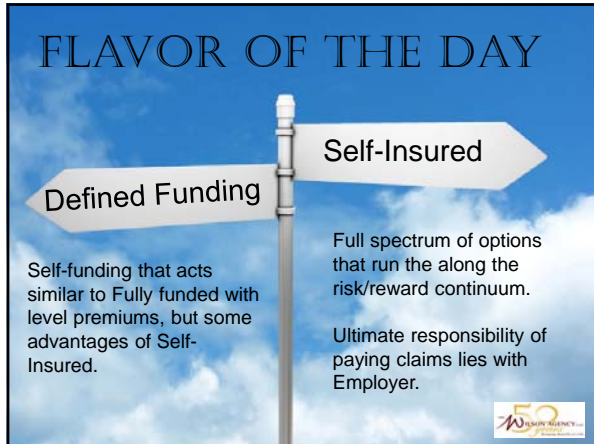


Private Exchanges
Venue to Purchase Benefits and Ancillary Products. Can have decision support tools.

Fully-Insured
Contract with a Carrier who bears the burden of paying claims.



FLAVOR OF THE DAY




Defined Funding

Self-funding that acts similar to Fully funded with level premiums, but some advantages of Self-Insured.

Self-Insured

Full spectrum of options that run the along the risk/reward continuum.

Ultimate responsibility of paying claims lies with Employer.



PROS & CONS SELF-FUNDING



- Cost Savings (Administrative)
- Plan design control & flexibility
- Popularity of self-funding
- Settled legal environment
- Stability
- Increased risks
- Budgeting
- Fiduciary & legal responsibilities
- Increased employer involvement
- Difficult to terminate



SELF-FUNDING SHOULD NOT BE TAKEN LIGHTLY



- Planning for SF needs to start 10 to 12 months ahead of time
- Determine if you are emotionally and financially able to do this.
- Determine if you your population is a good candidate (experience rating).



SELF INSURED PLANS WOES

High Claims
Being hit with High Claims on a regular basis and increasing stop loss costs.

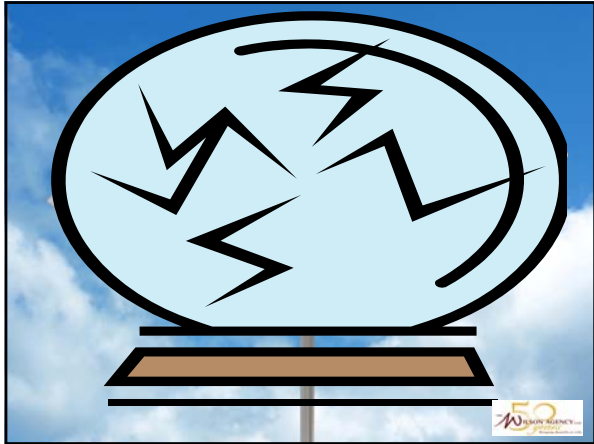
Uncertain Health
Never know how the plan is going to perform.
Don't know about the health of your population
Difficult to know how to budget for increases

DRIVING LOOKING BEHIND THRU THE SIDE MIRROR!

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HOW CAN YOU PLAN FOR THE UNKNOWN?

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EXCITING NEW PROGRAMS

- **Improve the mechanism to ID problem in your population before they happen**
- Programs that are able to anticipate your claims through simple testing, reporting and questionnaires.
- Strategic alliance with vendors to collaborate on information.

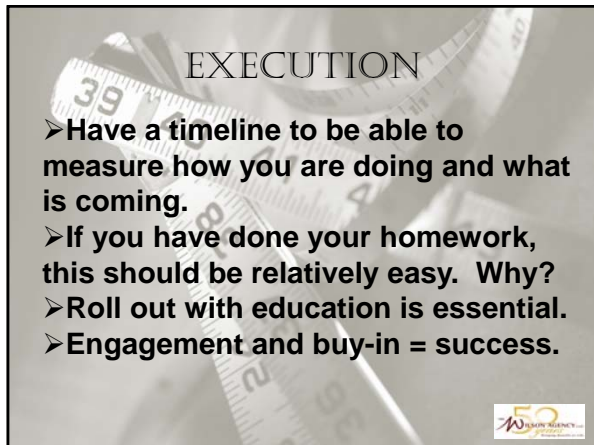


EXCITING NEW PROGRAMS

- High Value Contracts with Employee Clinics
- Precious funds reallocated to your highest risk population in the NEXT 12 MONTHS!
- Many of these “high risk” groups are not traditional.
- This is NOT wellness, that is long term, and equally important, but immediate.








- EXECUTION
- Have a timeline to be able to measure how you are doing and what is coming.
 - If you have done your homework, this should be relatively easy. Why?
 - Roll out with education is essential.
 - Engagement and buy-in = success.



REVIEW & FEEDBACK

- Use quarterly reviews and periodic client checks.
 - What worked, what didn't.
 - Solutions for what didn't work
 - Gauge employee and management engagement.



QUESTIONS?

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