Trends in Self-Funded Health Insurance

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- Trends in Medical Coverage

- Trends in Pharmacy

- Contract Review

- Health Centers

- Direct Contracting

- Data Analytics

- Medical Coverage
  - ASO versus TPA
  - Charge Master – Network charge
  - Direct Contracting
    - Hospital
    - Physicians and Physician facilities
    - Ancillary services
      - Radiology
      - Surgical
      - Physical Therapy
      - Oncology

- Pharmacy Coverage
  - Pharmacy Benefit Manager
    - Does not purchase or distribute medications
    - Adds margin to the cost of the medication
  - Acquisition Cost
    - Allows purchase of medication at average daily cost
    - Dispensing Fee
    - Fully transparent
  - OwnUse
    - Program schools, Non-profits, Churches & Libraries can access
    - Costs at federally established rate

- Pharmacy Coverage
  - Specialty Pharmacy
    - Formulary maintenance – who determines formulary
    - Is there a review of lower cost specialty
    - Are manufacturer coupons applied – if so how are these tracked
    - Acquisition cost of specialty medications

- Contract Review
  - Reading fine print becoming more important
  - Who owns claims data
  - Clause that gives ASO/TPA right to refuse data feed?
  - Can contract be terminated due to "unauthorized" use of data?
  - Is unauthorized defined?
  - Are any monies kept by ASO/TPA?
    - Pharmacy rebates – both Rx claims and Medical Rx claims?
    - Subrogation?
    - Audit?

- Contract Review
  - Cost for reporting
  - When is report deems standard?
  - How are run out claims managed and length of time?
  - Are there penalties for early termination of contract?
  - If penalties apply, specified in contract?

- Direct Contracting
  - Allows employer direct access to providers
  - Can eliminate high deductible health plans
  - Employers can implement "copay" plans
    - Copay for all services
    - No deductible
    - No coinsurance
    - Must maintain out of pocket as mandated by ACA
  - Takes hospital/physician out of collections
  - Reduces adversarial relationship between patient and hospital/physician

- Health Centers
  - Onsite or near site health center can allow employees access to primary care
  - Dispensary onsite for maintenance medications
  - Simple injections
    - Allergy
    - Vaccines
  - Lab work
  - EMR to share data with other providers

- Data Analytics
  - Capability to collect all data into one report
  - Can have multiple collection points for data
    - Medical Claims
    - Pharmacy Claims
    - Urgent Care
    - Emergency Room
    - Employer Health Center
  - Reporting can leave gaps
  - One site to collect all data provides complete analysis to understand health insurance costs
  - Better utilization of dollars for necessary programs

- Conclusion
  - Transparency in healthcare is tricky
  - Have direct contracts allows employer to have better understanding and control over costs
  - Multiple pharmacy programs offer ability to purchase medications at their cost – helps eliminate excess spending
  - Concentrated review of contract allows hidden fees to be exposed
  - Onsite or near site health center can provide care to workforce and be cost effective for employer
  - Complete claims, cost, utilization and diagnosis data can provide invaluable information to employer