

# Welcome to our 27<sup>th</sup> Annual



**Wednesday, September 14, 2022**

# Welcome



**Rosa Novo**

*Executive Benefits Director*

Miami-Dade County Public Schools

Chair, Florida Alliance Board of Directors

# What is the Florida Alliance?



- Non-profit research and education organization founded in 1984
- Led by Florida's top public and private sector employers/businesses
- Membership includes businesses of all sizes, public sector employers, industry partners
- What can we do together to improve healthcare quality and cost?
- Unique role is to convene stakeholders around Florida's most challenging issues and develop and implement solutions



# EMPLOYER MEMBERS





# Healthcare Advisory Council Members





# Affiliate Members



Wi-Fi is available during this event.  
Please use the following  
information to connect:

- SSID – ValidationInstitute
- Password – Validation



# Follow us on Social Media



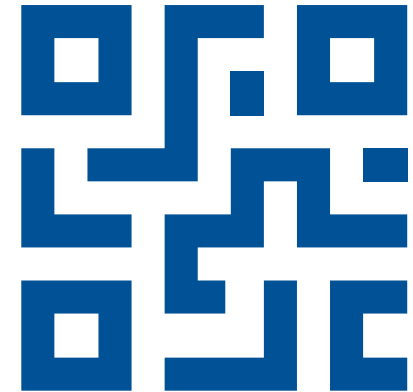
Follow us on Twitter and Facebook **@FLHealthValue** and  
**Florida Alliance for Healthcare Value** on LinkedIn

Tweet about “Best of the Best” using **#2022BOTB**

# QR Code Super-Quick Surveys



The “Best of the Best” agenda has a unique QR code linked to a quick survey asking you to give a little feedback about the content of each session. Completing this survey will help us tailor future events to bring you the best educational programming.



**Thank you in advance for your participation!**

Thank you to our  
sponsors!



# Today's Agenda



9:10AM–9:20AM     **Event Overview**

Karen van Caulil, PhD, Florida Alliance for Healthcare Value

9:20AM-9:30AM     **“Most Engaged Employer” Award Presentation**

Presented by Matt Muhart, MBA, Memorial Healthcare System

9:30AM-10:30AM     **Advanced Primary Care and Direct Contracting...A School District's Success Story**

Charles Prijatelj, EdD, Altoona Area School District

Patrick Reilly, PeopleOne Health



# Today's Agenda



10:30AM–11:30AM **How Healthcare Navigation Can Be Used to Close Care Gaps and Support Employee Wellbeing**

Doug Peddie, MBA, Siemens Energy

Penny Moore, AHIP, Springbuk

Anthony Marino, Alight Solutions

11:30AM-1:00PM **Networking and Lunch**

# Today's Agenda



1:00PM-2:00PM

## **Best of the Best in Pharmacy Benefit Management**

Shannon Early, SPHR, SHRM-SCP, Waste Pro USA

Spencer R. Allen Jr., CPBS, Insurance Office of America

Renzo Luzzatti, MBA, US-Rx Care

Moderator: Karen van Caulil, PhD, Florida Alliance

2:00PM-3:00PM

## **The Hendry Marine Story: Our Journey to Self-Funding and Innovation**

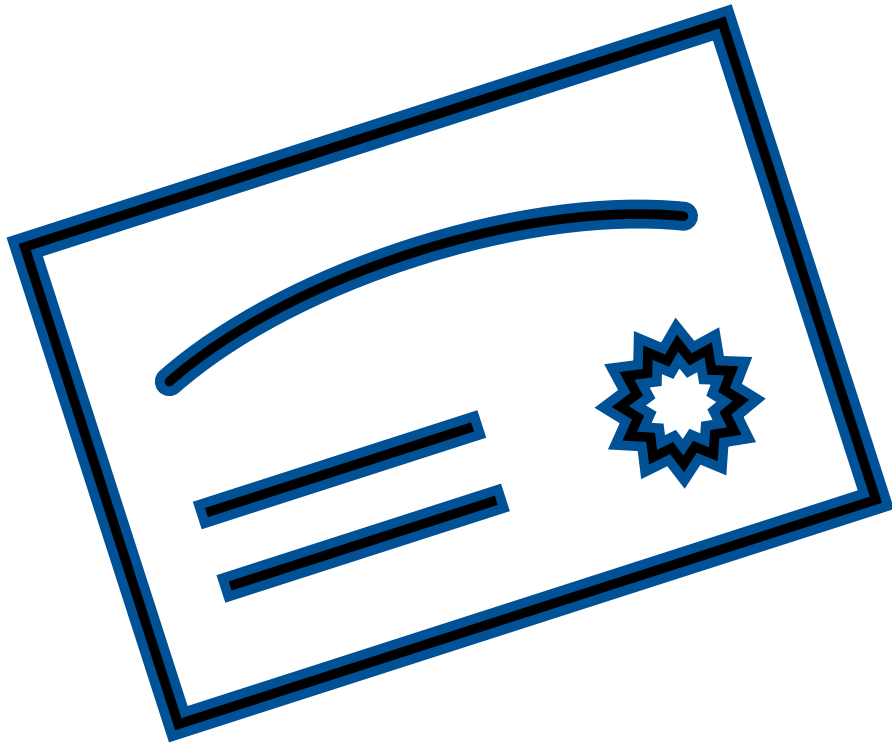
Stephanie Koch, SCP-SHRM, SPHR, Hendry Marine Industries

Patrick Gangemi, OneDigital

3:00PM-3:15PM

## **Wrap Up**

# Most Engaged Employer Award



Every year we give this award at our “Best of the Best” event to the employer member of the Florida Alliance for Healthcare Value that demonstrates the highest level of commitment to our efforts to drive value in health care.

# CONGRATULATIONS!



## Congratulations to the 2022 “Most Engaged Employer”



This award is sponsored by Florida Alliance Healthcare Advisory Council member



# Session 1



## Advanced Primary Care and Direct Contracting... A School District's Success Story



**Charles Prijatelj, Ed.D.**  
*Superintendent of Schools*  
Altoona Area School District



**Patrick Reilly**  
*Co-Founder and  
Managing Partner*  
PeopleOne Health



# Advanced Primary Care and Direct Contracting

## A School District's Success Story

Presented by:

**Dr. Charles Prijatelj**

Superintendent, Altoona Area School District  
Altoona, Pennsylvania





## **Background On Altoona Area School District Altoona, Pennsylvania**

- Located in Central PA region
- Dominant Health Care Options:
  - UPMC (University of Pittsburgh Medical Center and Insurance Company)
  - Highmark Blue Cross and Blue Shield
- UPMC Altoona Regional Hospital is the major player in this area.
- Secondary Hospitals: Nason, Tyrone, Penn State Health
- AASD 850+ employees receiving Healthcare benefits
- Self Funded Medical Plan with both HRA's and HSA's
- Multiple Union Groups



## The Problem To Solve...

- Self Funded with UPMC as TPA, Network and Reinsurer
  - UPMC's Third Party Administration protects their PPO network
  - Network steerage to expensive UPMC facilities and providers
  - Below market UPMC stop loss coverage to eliminate competition
  - Limited reporting available, costs charged for drill down detail on health conditions (In most cases, refusal to provide information)
  - No claims auditing
  - Charges paid from 400% to 800% of Medicare based on referred treatments.



## **Action:**

Leave The 800 Pound Gorilla

## **Result:**

Smear And Fear Campaign

Altoona Mirror, July 3<sup>rd</sup>, 2020  
Rick Boston, Staff Reporter

"When asked why UPMC decided to go public with its concerns about Altoona Area's health plan, UPMC spokeswoman Danielle Sampsell said UPMC wanted to make sure district employees were aware of the changes.

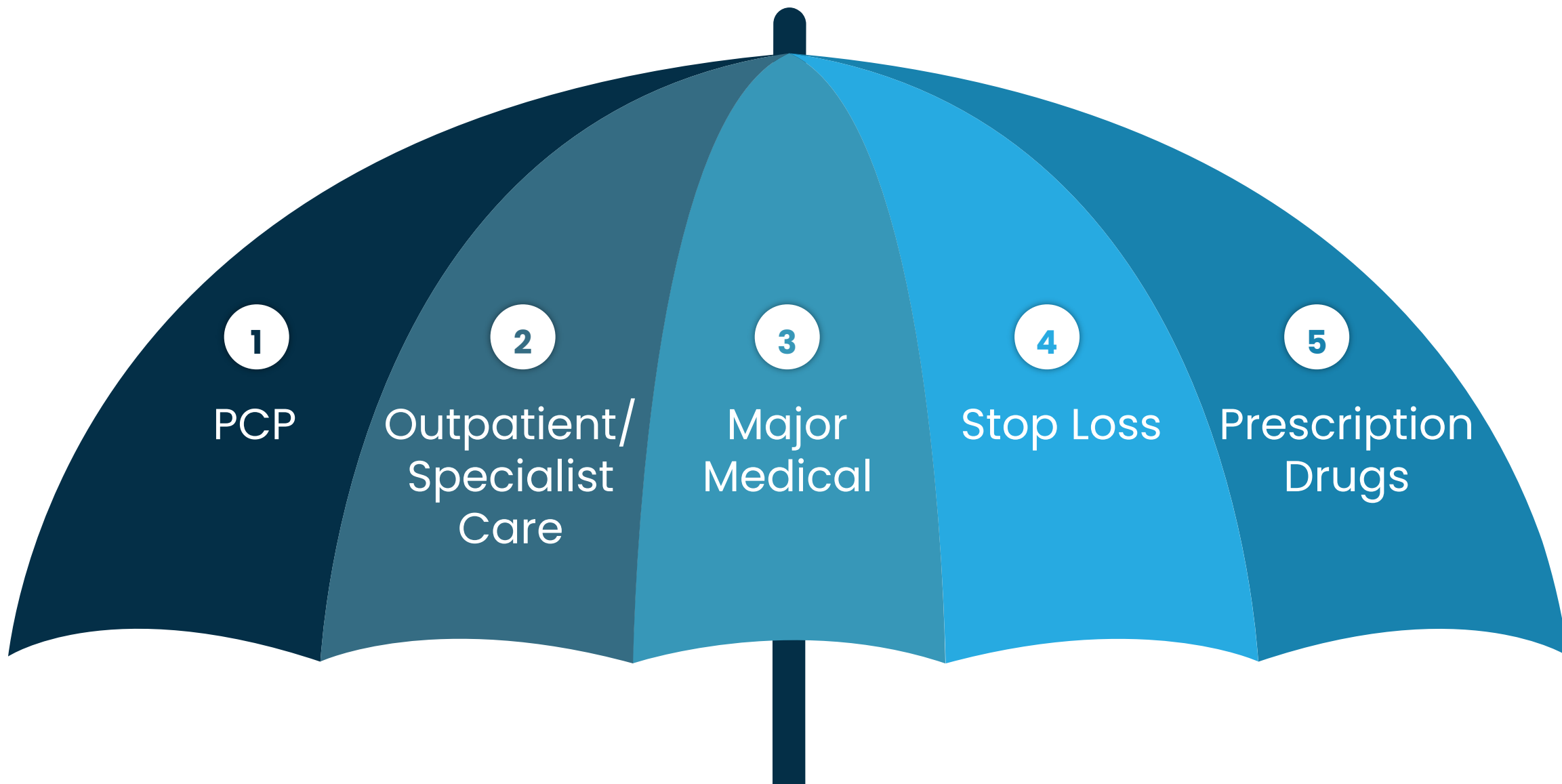
***"We want to make sure our patients, the employees of the Altoona Area School District, know the full message and the facts of how the new plan will potentially affect them," Sampsell said.***

In a letter sent to district employees this week, Prijatelj said UPMC informed them on June 30, one day before the new plan starts, **that elective surgeries done at UPMC facilities will have to be prepaid.**

Prijatelj said that is unreasonable for many reasons and that UPMC's intent is to break the district's resolve to seek the most cost-effective solutions for its employees in order to maintain quality benefits.

Prijatelj said in his letter that UPMC had been billing the district at a rate of 400 percent to 800 percent of Medicare rates and that other plans in the district's region have been paying only 150 percent of Medicare rates. **Prijatelj said that puts district employees at a "tremendous disadvantage" versus other patients in the area."**

# Understanding the 5 areas of healthcare coverage:





# What Are The Big-Ticket Costs of Healthcare?



Outpatient / Specialty Care



Prescription Drugs

# What do most plans emphasize?



Major Medical –  
Sickness Insurance



Stop Loss – Claims  
Management Costs





# **The role of a PCP Primary Care physician in a large company/hospital driven healthcare program**



## **Creating a closed shop**



# The True Cost Of Not Being Self-Insured

- Hidden cost add-ons with packaged insurance **10% or 15%** commission per visit/procedure
- Understanding what a TPA does
- Finding a quality independent TPA as a partner
- Leveraging local relationships

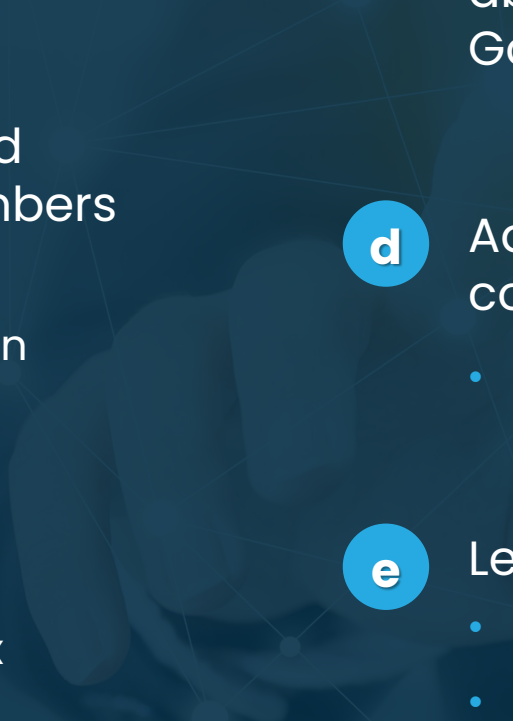
# Finding an honest partner in the medical provider sector **(People One Health)**

- How business, school districts, and other governmental agencies can level the playing field
- Fixed Cost Controls
- Working for the good health of everyone





# Building a Network for Local Independents and Regional providers

- 
- a** Community Partners: First Year:  
Approximately 70 employees on plan  
with 350+ providers
  - b** Second Year: 3400+ providers (and  
growing) over 480 employee members  
(and growing)
    - Not a major cost jump to higher plan  
but still 60% of employee chose the  
Community Partner Plan.
    - Adding new providers daily  
(Approximately 15 a week)
    - Many providers well below the 1.65 x  
Medicare level of payment
  - c** Landed a Major hospital network at a  
solid discount that gave the plan the  
ability to compete with the 10,000 lb.  
Gorillas (UPMC, Highmark, Cigna, Aetna)
  - d** Adding on pieces to finish a truly  
complete network
    - Penn State Health System
  - e** Leveraging other solutions:
    - AMPS
    - Edison Health
    - AccuRisk





# Leverage Consumerism: Steerage and Cost sharing

- Pratter Price Transparency Incentives
- 80%/20% and 90%/10% Co-Insurance
- Plan cost transparency



The Altoona Area School District's PEPY (per employee per year) was **\$13,742** for the 2020/2021 plan year.

The average PEPY was **\$17,806** for the next three largest school districts in Blair County for the same time frame.



# MORE CARE. LESS COST.

How to Make Healthcare  
Healthy, Affordable, and Equitable





## OUR HYPOTHESIS

To truly fix the broken healthcare system, a large percentage of predictable claims (88% in our model) must be removed from PPO networks, fee-for-service, and the insurance claims process.

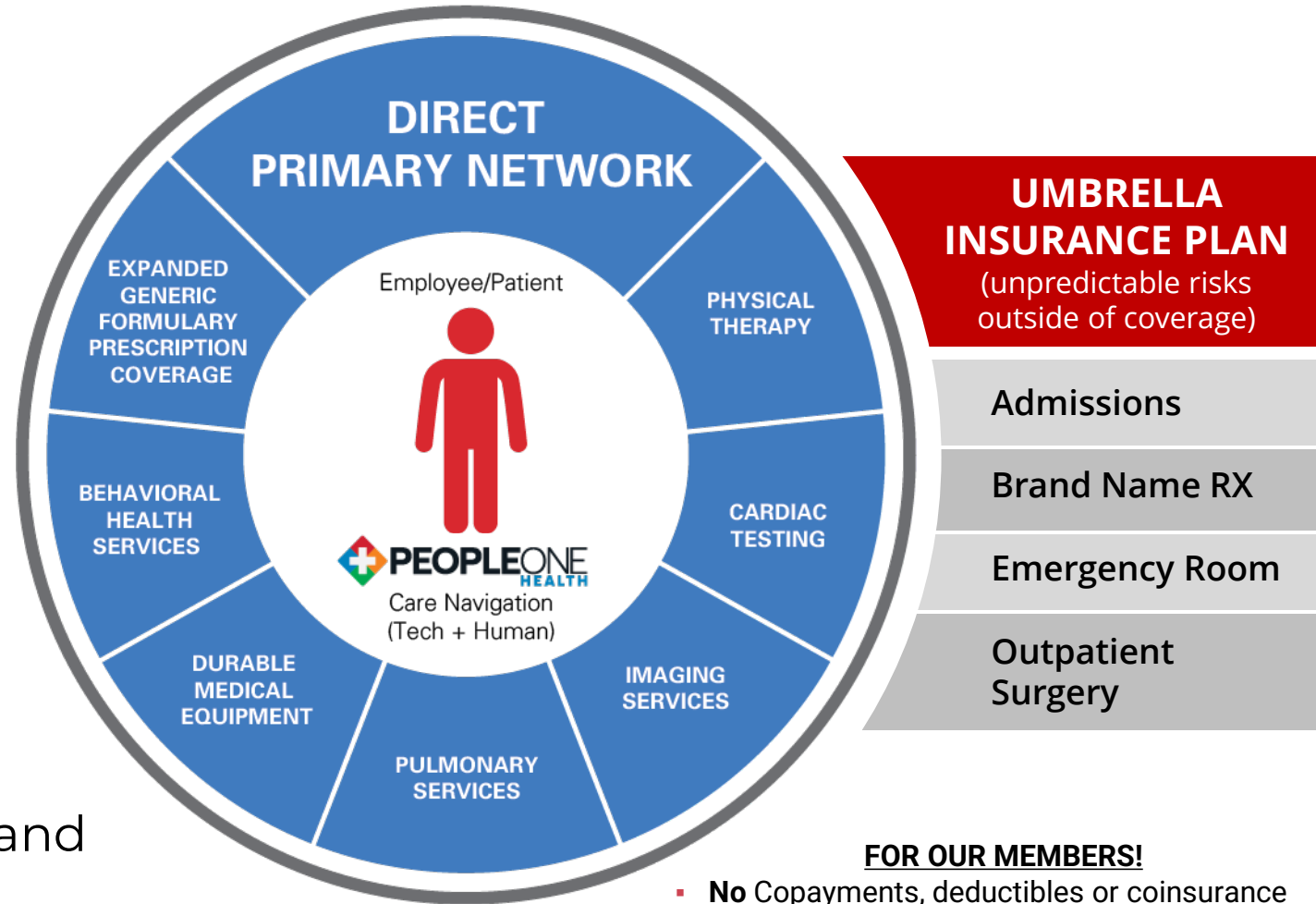
These claims must be bought directly to rebuild the healthcare system from the ground up.



# A HIGHER LEVEL OF CARE

Purchased Directly From Employer to Providers

1. Physical Therapy
2. Cardiac Testing
3. Imaging Services
4. Pulmonary Services
5. Durable Medical Equipment
6. Behavioral Health Services
7. Expanded Generic Formulary Prescription Coverage
8. Deep integration with community based care navigators and accountability coaches (In person and tech enabled)



## FOR OUR MEMBERS!

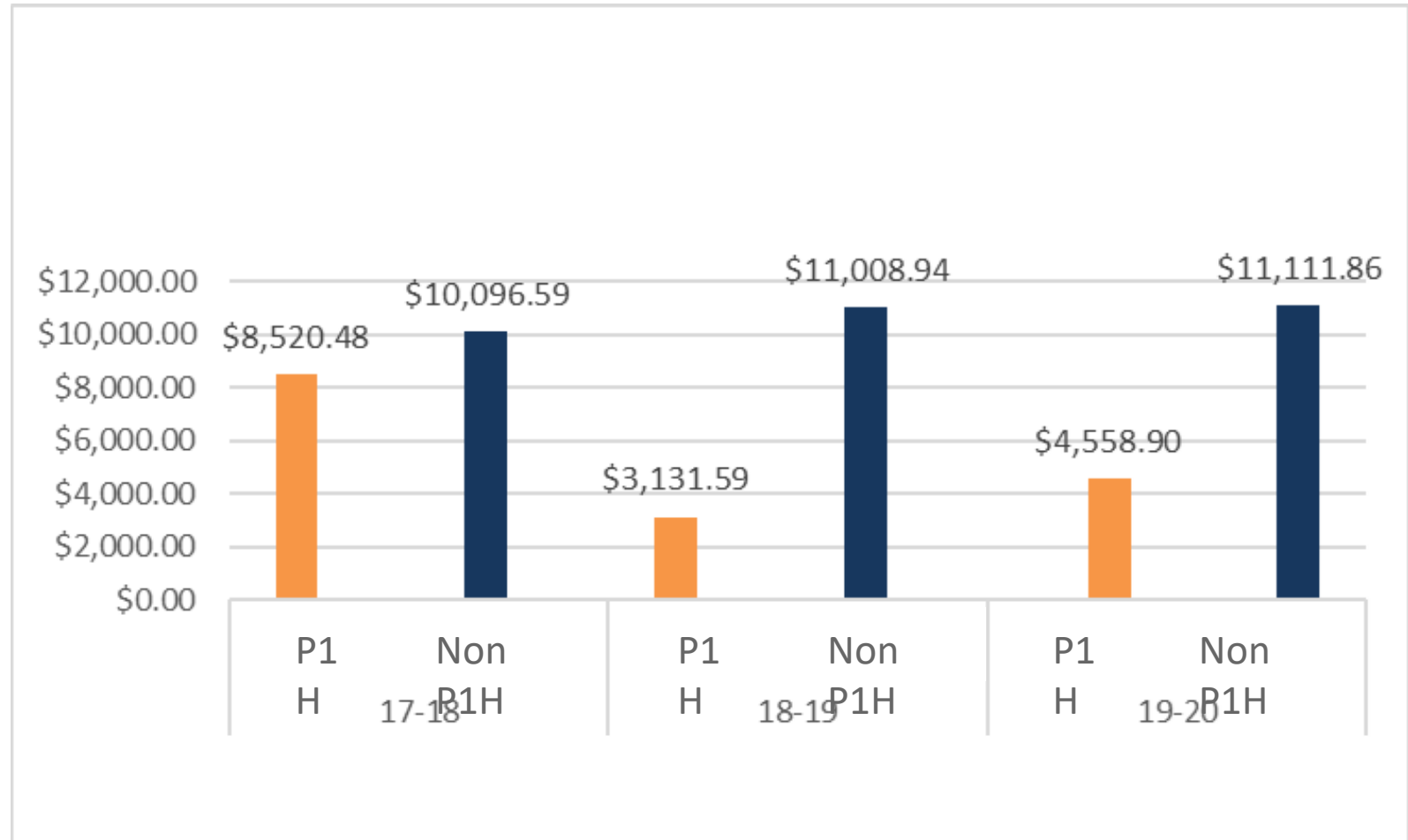
- **No** Copayments, deductibles or coinsurance
- **No** Paperwork or bills
- Provides over 90% of what most people need
- Pre-negotiated one rate system.

# PUBLIC SCHOOL DISTRICT

Paid Claims Comparison: P1H vs Traditional PPO

- PeopleOne Right-sizes the Care
- Savings over Status Quo
  - Savings Year 1 - \$42,555
  - Savings Year 2 - \$638,065
- Conservative Approach
  - Projected Savings in Year 3 - \$642,189

Total Savings over 3  
Years  
\$1,284,509



# PeopleOne Health Independent Evaluation

- Client had the PeopleOne Health program assessed by an independent third-party
- Findings shared with us after they completed their assessment
- PeopleOne Health had higher risk population
- Due to this risk, they expected to see a \$6,005 PMPY
- Including all fees, P1H produced a \$4,195 PMPY
- Beating all other groups which averaged \$4,742 PMPY

	Regular Insurance	PeopleOne Health
Prospective Risk	1.100	1.380
Concurrent Risk	1.027	1.422
Expected PMPY	<b>\$4,272</b>	<b>\$6,005</b>
P1H Premium PMPY	N/A	\$1,464
P1H Outside Insurance Claims PMPY	N/A	\$2,731
<b>Actual Total Cost PMPY</b>	<b>\$4,742</b>	<b>\$4,195</b>

**MORE CARE.  
LESS COST.**

# ...AND THEY LOVE US

I am very happy that our company **both saves money and provides a superior solution** to our employees. It's a win-win. Adding an on-site health coach makes this an even **deeper solution** for our team. Meghan now connects regularly with our employees at the workplace and connects them to their doctor and other programs offered when needed. **We've never seen an integrated solution like this** that covers both prevention and health treatment.

*Greg Drew, Owner, Value Drug*

A Value Drug member who has been working with our coaches had a **20lb weight loss** and I was able to **take him off two medications** tonight. Good work, I appreciate what we do and wanted to let you know how **we're helping our patients**.

*Vince Capone, PeopleOne Health Clinical Team*

I love how **friendly** the staff is. I don't feel like a number there and I **never feel rushed**. I genuinely feel that the staff **cares about my health**. I also like the fact that there is no copay.

*PeopleOne Health patient*

In an industry where **customer service** is an afterthought, it's our **first thought**.





## Current Plan \$7,400

### Type 2 Diabetes (Well-Controlled)

PCP Visits  
Disease Education  
Diagnostic Testing (Blood work)  
Prescription Drugs  
DME - Glucose Meter

**Joe Pays \$960**

**Plan Pays \$6,440**

and other Providers

- If Joe needs additional services, these will cost him and the employer additional expenses
- Joe will have to navigate the healthcare probably by talking to physician or

## PeopleOne Health Model \$2,100

### Type 2 Diabetes (Well-Controlled)

PCP Visits  
Disease Education  
Diagnostic Testing (Blood work)  
Prescription Drugs  
DME - Glucose Meter

**Joe Pays \$420\***

**Plan Pays \$1,680**

(\*Insulin in P1H Program is \$35 per month)

- All services managed within the PeopleOne Health Office
- Joe gets additional services including meeting with a dietician & pharmacist at NO COST



## Employee Impact

Concierge Medical Care  
Patient Activation  
Care Navigation  
Disease Management  
Coaching

## Everyone Wins!

Patient Satisfaction  
Employee Loyalty  
Reduced Expenses  
Healthier Population



# THANK YOU!

To continue the conversation, please contact:

**Jordan Taradash, Founder & CEO**

516-319-9452

Jordan.Taradash@peopleonehealth.com

<https://www.peopleonehealth.com/>

# Session 2



## How Healthcare Navigation Can Be Used to Close Care Gaps and Support Employee Wellbeing



**Doug Peddie, MBA**  
*Benefits Manager/  
US Benefits Transition Lead*  
Siemens Energy



**Penny Moore, AHIP**  
*Chief Commercial Officer*  
Springbuk



**Anthony Marino**  
*Vice President,  
Strategic Accounts*  
Alight Solutions

# Florida Alliance “Best of the Best”

Siemens Energy presents a case study on using the “one-two punch” of healthcare navigation and a healthcare data warehouse to close care gaps & support employee wellbeing

September 14, 2022



# Today's Speakers



**Doug Peddie**

Head of US Benefits



**Anthony Marino**

Vice President, Strategic Accounts



**Penny Moore**

Chief Commercial Officer





We are Alight

## PURPOSE

Powering confident decisions,  
for life.

## Clients

4,300 clients / 36M people  
70% Fortune100  
50% Fortune 500

## PORTFOLIO

Outcome-based technology and  
services solutions for  
organizations and their people.

### ABOUT ALIGHT

#### Health

Benefits administration  
Benefits guidance  
Reimbursement accounts  
Eligibility and compliance

#### Payroll

Global payroll  
Payroll services  
Payroll integration

#### Clinical

Healthcare navigation  
Second opinion  
Clinical care

#### Global delivery and professional services

Cloud deployment  
Cloud optimization  
Cloud advisory  
Digital



#### Wealth

Defined contribution  
Defined benefit  
Financial wellbeing

#### Wellbeing

Wellbeing  
Marketplace  
Alight Partner Network

#### Retiree

Health benefits  
for retirees

#### Engagement

Integrated access  
AI-driven personalization  
Optimization analytics

Trusted by over  
4,200 of the  
nation's top  
employers

● **32,000** lives  
Avg. Direct Employer Size

● **450+**  
Data Sources Mapped

● **10,000+**  
Unique Monthly File uploads

PAGE 1

# springbuk®



Health Intelligence



Analytics Solution



Data Warehouse

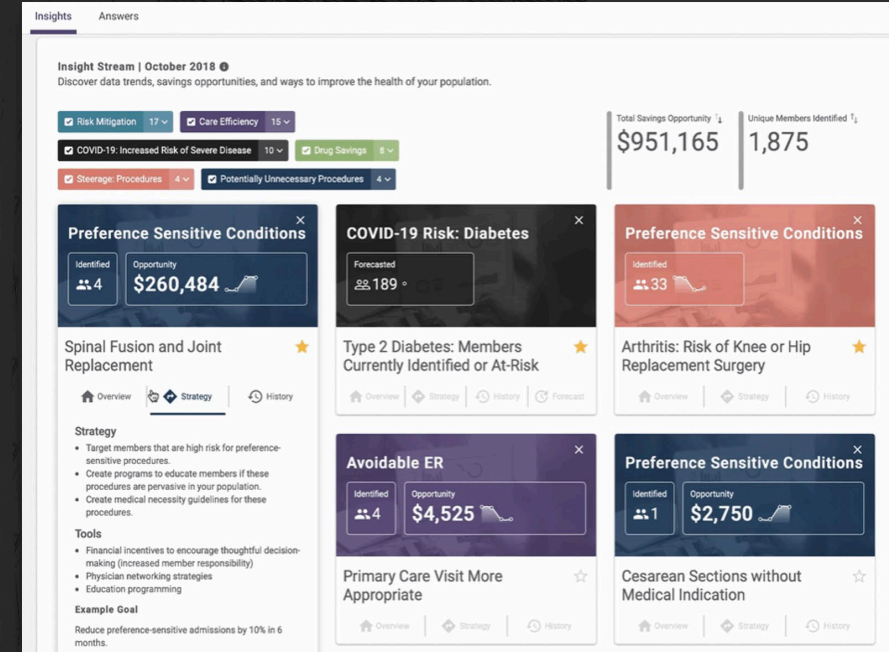
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# Health Intelligence

Synthesis of knowledge (data) distilled down to **opportunities** and **information** at your fingertips

## The 5 Characteristics of Springbuk Health Intelligence:

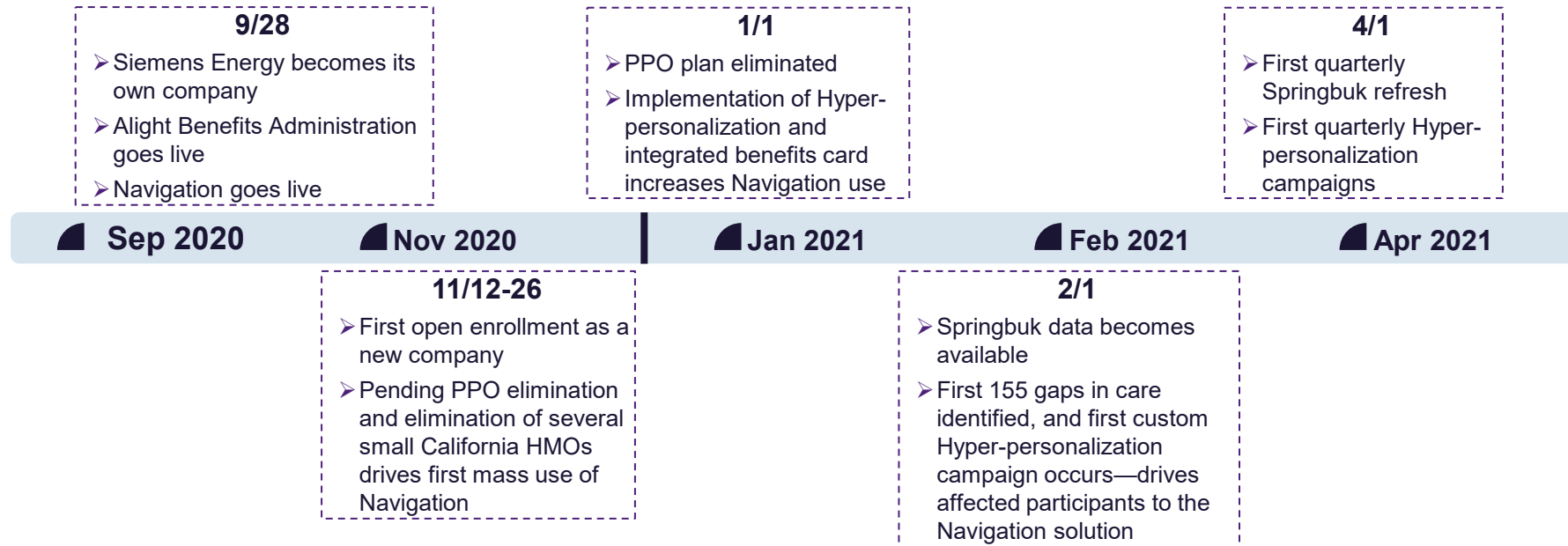
- › Integrated Analytics
- › Data Driven Plan Design
- › Predictive Intelligence
- › Actionable Insights to Select Impactful Programs
- › Measure the Impact of Programs & Vendors



# **Setting the stage: Complexity abounds!**

# Implementation Timeline

\$EROI





# Complexity in the market & our business

- Siemens Energy became an independent, publicly-traded company on September 28, 2020 after its spin-off from Siemens AG
- Business operations span the continuum of the energy value chain, including turbines, generators, transformers, and compressors
- Diverse workforce composed of 10K+ US-based employees/70,000 global workers

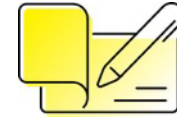
# Complexity in Our Workforce



Regionally  
distributed



Demographics  
& unions



Multiple Insurers  
& plan types



Communication  
preferences



Lack of knowledge of  
Relevant health risks  
& conditions

# “Continuous focus & simplicity is the cure for unwanted complexity”

- When presented with the choice to defend or defeat the status quo, we chose to defeat it
- Leap of faith and a bias for action allowed us to step into the void
- Employee engagement the key to impacting results

**An opportunity to introduce business agility by adopting innovative services to increase employee engagement and healthcare consumerism.**

# Challenges, challenges, and more challenges

- Our September 28, 2020 spin-off was to be done with a minimum of disruption – “keep things the same”.
- Meanwhile, we were dealing with:
  - PPO plan elimination
  - Older population
  - Unknown factors:
    - what was making us sick and killing us
    - who was seeking care and with right outcomes
    - who was the best at treating us
  - Plus, healthcare plan providers were self-reporting, rather than the other way around!

# With Challenges Come Opportunities



- Our September 28, 2020 spin-off was to be done with a minimum of disruption – “keep things the same”.
  - **No one knew what “the same” was; thereby setting the stage for a data-driven approach to healthcare management**
- Meanwhile, we:
  - Had a pending elimination of our PPO plan design
    - **Move to all account-based healthcare**
    - **Set the stage for consumerism and navigation**
  - Made our parent ~one year younger in the aggregate
    - **Made it imperative to know what our health state was**



# With Challenges Come Opportunities

(cont'd.)

- We didn't know:
  - what was making us sick and killing us.
    - **Set the stage for Navigation and the Springbuk data warehouse**
      - **Allowed us to identify additional Healthy Rewards opportunities.**
  - who was seeking care efficiently and with good outcomes
    - **Navigation and the data warehouse could identify those**
  - who was the best at treating us
    - **Navigation could initiate, data warehouse verify and provide ongoing monitoring**
- Had health care providers that told *us* how *they* were doing.
  - **Navigation and the data warehouse allow us to “flip the script” and tell providers how they’re doing in relation to the Plan**

# One big advantage-our employees



- We had executives extremely interested and engaged in employees' health status
- Heavy concentration of engineers and accounting/finance personnel
  - Analytical and naturally inquisitive
    - Making data driven decisions is second nature.
  - Systems savvy
  - All in account based healthcare as of 1/1/2021 so consumerism was important
    - Sy Syms

# Then came COVID-19



- Covid-19 triggers rapid adjustments to our business continuity plan, including considerations driving our HCM model
- “The Great Resignation” exacerbates challenges related to workforce management, but prioritizes benefits strategy as a primary lever to pull
- Healthcare assumes new importance in our benefits offering, but delivery is simultaneously challenged by access to care, consumption patterns, and provider capacity

# Flipping the Script

# First Things First: Understanding & Planning for Change

- Commitment to employee wellbeing — physical health, emotional and mental health, and financial health are pre-requisites to employee satisfaction and productivity
- Investment in healthcare consumerism will better equip our employees to be informed consumers\*
- Knowledge – need to understand objectives of what you are trying to solve

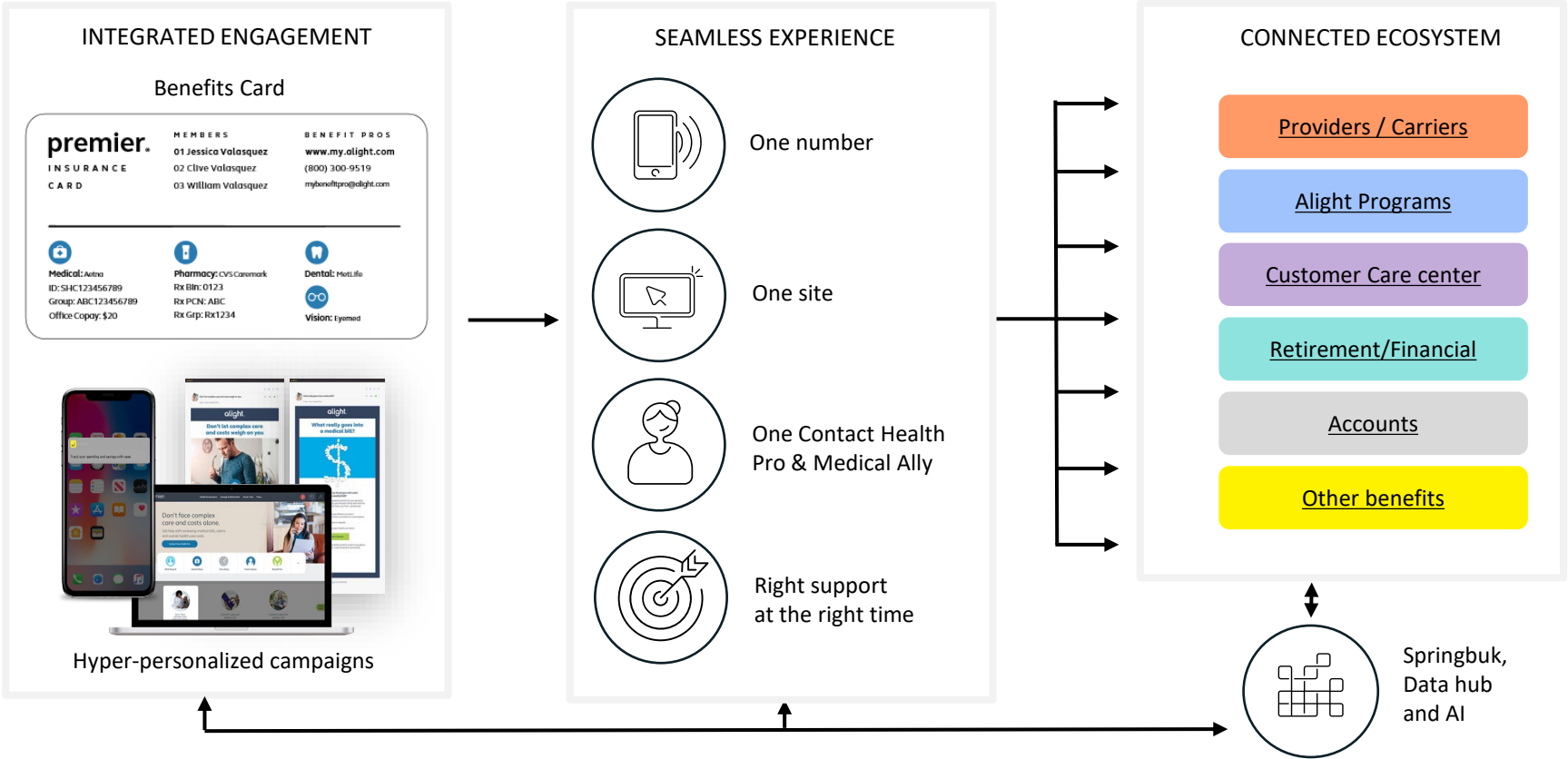


# Engagement harmonization and data-driven decisions became essential to our approach

## REQUIREMENTS

- Harmonize the employee engagement experience through Alight Worklife platform, connecting our employees to their total rewards
- Aggregate data across systems
- Leverage analytics and hyper-personalization capabilities to better engage with employees
- Target healthcare consumption to improve health outcomes, total wellbeing and manage costs.
- Use Springbuk data warehouse to “Flip the Script” with carrier partners as well as identify gaps in care.

Reshaping employee engagement with simplicity and ease



# Healthcare navigation supports our shift toward value

- Evidence-based benefit design based upon objective measures of performance
- Transparent presentation of cost and quality data to support informed decisions
- Purchasing based upon formulas that align with industry-wide efforts to drive payment reform

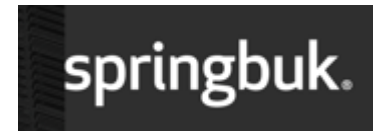
Alignment of supply and demand to improve the efficiency of our health benefit offerings

The alight logo, featuring the word "alight" in a bold, lowercase, sans-serif font.

# Data Warehouse supports identification of conditions and solutions.

- Run claims against standards of care heuristics to identify gaps in care
- Identifies usage trends and areas of focus.
- Helps drive plan design and network changes/usage
- Allows individual providers to be evaluated against the performance of the Plan.

In depth analysis of healthcare behaviors and usage to influence employee, Plan and provider behaviors

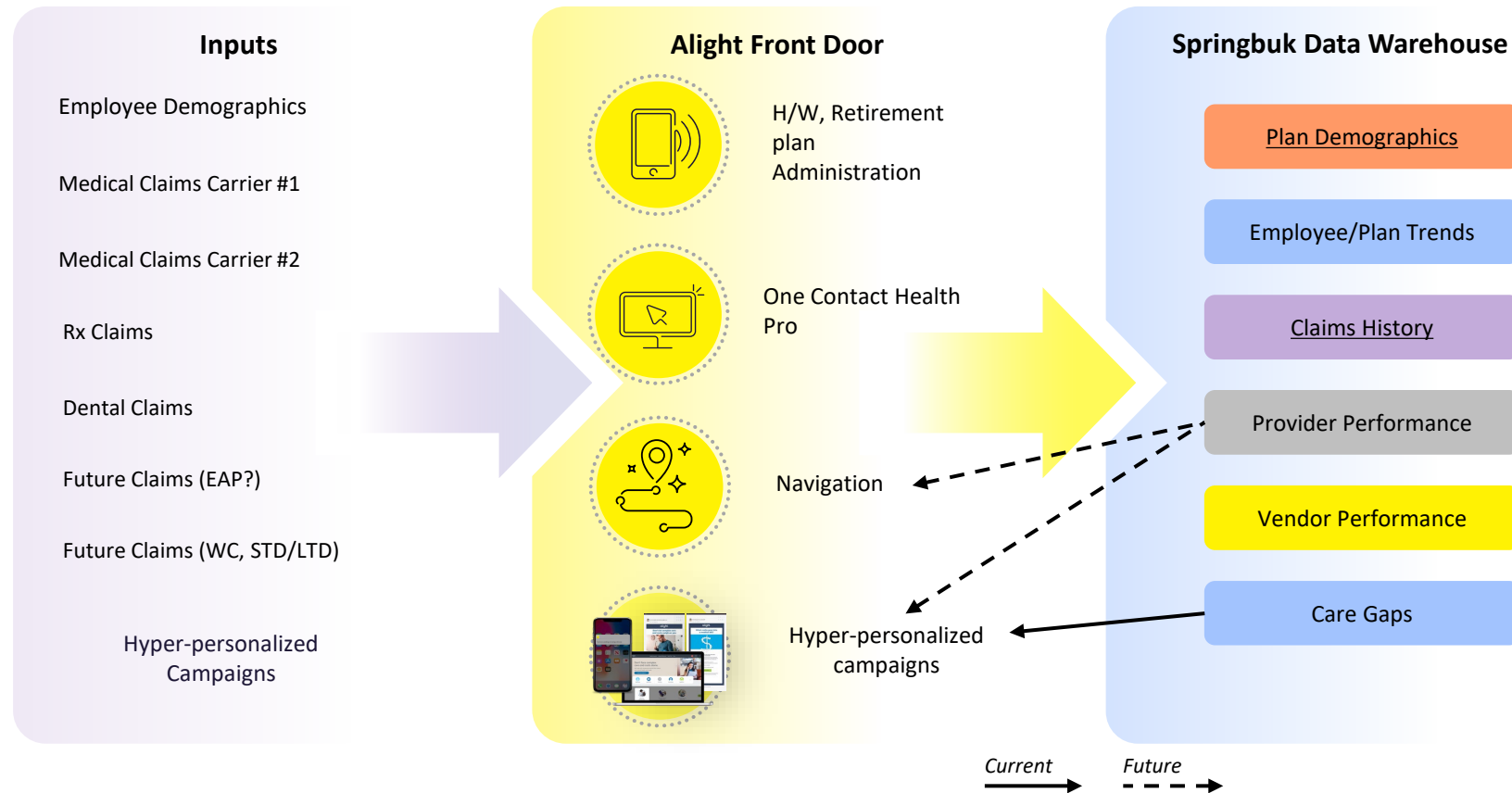


# Unexpected outcome: stewardship!



- You know things about your employees' health they may not know
- You have to find a way to tell them.

# Integrated Benefits Administration with Navigation and Data Warehouse Capabilities





# Act II

# Calibrate core program components with the prioritized needs of our employees

- Target “diseases of prosperity” associated with lifestyle risks, including obesity, diabetes, hypertension, heart disease, MSK, and mental health
- Offer navigation and advocacy services to support treatment decisions, provider quality assessment, medication/Rx review, and care coordination
- Close care gaps to improve experience and outcomes—both clinical and financial

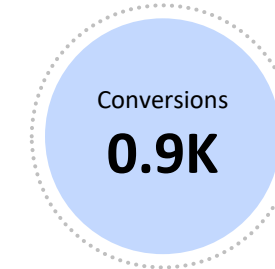
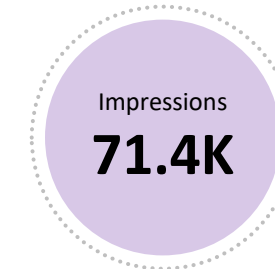
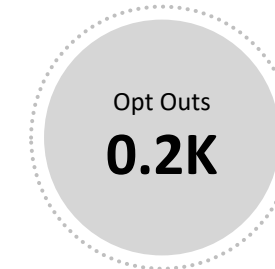
**65%**

SIEMENSENERGY,  
Q4 '21

Percentage of solutions delivered  
that directly lowered cost

# Hyper-personalization campaigns

Campaign	Offer	Clinical Targeting	Qualified Employees
<b>Diabetes support</b>	Diabetes Find a Prov..	Y	307
	Diabetes Pre-Diabetes	N	327
<b>Verification (dependent and COVID vaccine tracking)</b>	AV Exempt Approved	N	712
	AV Exempt Denied	N	17
	AV Exempt Not Verification	N	44
	AV General or Manda..	Y	8,235
	Verify your COVID-19..	Y	10,808
<b>Find a PCP</b>	Find a PCP	Y	1,077
	Find a PCP-ER	Y	48
<b>Get help for high spend</b>	HighSpendHealthPro..	Y	1,245
	Preventative Annual Ph..	Y	3,778
<b>Keep up with preventative care</b>	Preventative Colonoscopy	Y	1,419
	Preventative Mammography	Y	581
<b>Manage cancer</b>	Cancer Health Pro Support	Y	208
<b>Mitigate MSK</b>	MSK Find a Provider	Y	1,101
	MSK Weight Manage..	Y	337
<b>Prioritize mental health</b>	Mental Health – Care..	Y	6,097
	Mental Health - EAP	Y	8,678
	Mental Health – Paren..	Y	70
	Mental Health – Tele..	Y	9,687
<b>Get cardiac care</b>	Cardiac Provider	Y	868
	Cardiac Rx Support	Y	445
<b>Custom</b>	Gaps in Care	Y	TBD



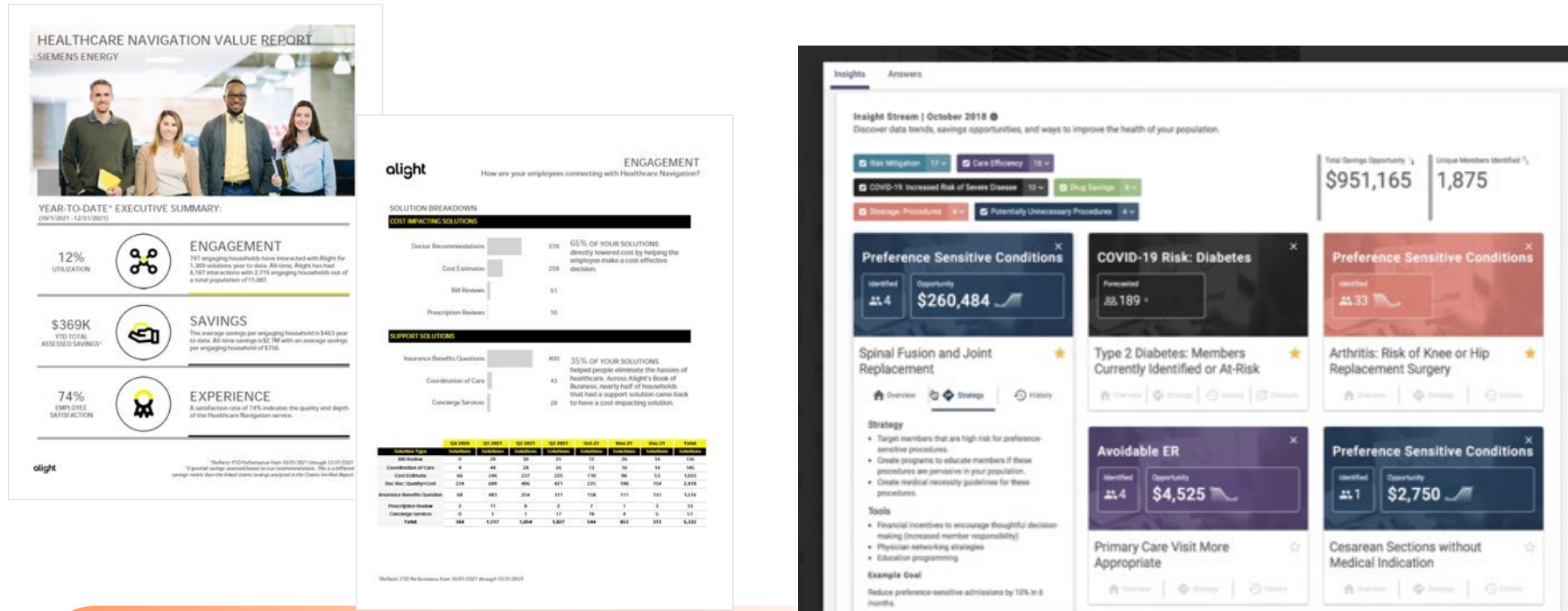
# Communicate, communicate, communicate—but also reward

- Operational integration through the Alight Benefits Card and Benefits Smart Routing
- Programmatic communications campaigns (e.g., web banners, email, mobile) that use data, predictive algorithms, and triggers to prospectively target employee groups
- Links to Siemens Energy Healthy Rewards program to activate employees and provide “nudges” that sustain ongoing participation
- Use Springbuk data to identify additional Healthy Rewards opportunities, plan design, and provider usage.

# Assessing Our Performance

# You must define your Plan's success factors

*Hint: they should be data-driven!*



**Success factors:** Involves the analysis of the production, distribution and consumption of goods and services



# Employees have responded enthusiastically, as have all program stakeholders



Nearly three-quarters (74%) of employees have indicated a high level of satisfaction with the quality and depth of the Healthcare Navigation service



**93% provider satisfaction** – pleased with doctor recommendation



During Q4 2021, Healthcare Navigation saved more than 1,600 hours of time and generated nearly **\$80K in productivity savings** in addition to \$2.4M in total claims savings

# Results: Siemens Energy Total Health



## Siemens Energy results

11,308  
PARTICIPANTS

Utilities and Energy  
INDUSTRY

10/1/20 – 12/31/21  
TIMEFRAME

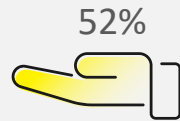
### Background:

Siemens Energy divested from Siemens on 9/28/2020 and implemented Alight Total Health on 10/1/2020.

### Results:

Siemens Energy has seen positive results within the first year of implementing Alight Total Health:

- **56% Utilization**
- **219% ROI, \$2.4M in savings**
- **\$889 average savings per engaged household**
- **Cost Impacting Solutions:** 69% of Siemens Energy solutions directly lowered cost by helping the employee make a cost-effective decision.



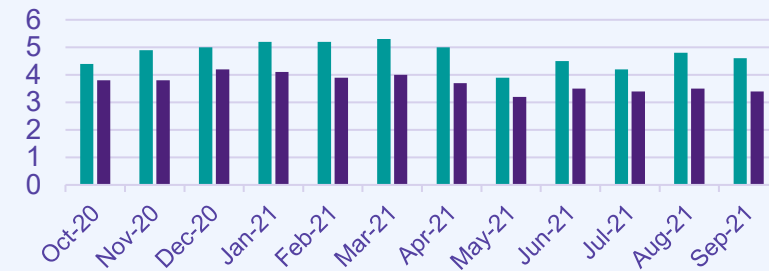
52%

### Hype-to-Navigation Utilization

52% of all solutions were initiated within 7 days of a Hype channel.

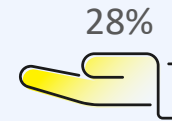
## Siemens Energy pre- and post-divestiture

Average # of interactions per interactor per month



■ Post-divestiture Interactions ■ Pre-divestiture Interactions

Siemens Energy implemented Alight Total Health on 10/1/2020 and interactions have increased by 28%!



28%

### Higher Interactions with Total Health

28% higher interactions per interactor for Siemens Energy vs parent

# What's Next?

# Next Steps



- Extracting incremental value from existing offerings through program optimization
- Adding new services to fill unaddressed gaps in our health benefit offering; e.g., family building, condition management programs, -and have the capability to monitor them in almost-real-time.
- Doubling-down on program engagement through Resource Groups, wellness champions, and integrated communications supported by incentives and rewards
- Looking beyond the horizon based upon our business and evolving workforce

# Questions?

# Thank You!

# Lunch Break and Networking

## 11:30AM - 1:00PM



*Please enjoy lunch next door in Caribbean 6.*

*We'll begin the afternoon sessions at 1PM back in this room.*



# Afternoon Agenda



1:00PM-2:00PM

## **Best of the Best in Pharmacy Benefit Management**

Shannon Early, SPHR, SHRM-SCP, Waste Pro USA

Spencer R. Allen Jr., CPBS, Insurance Office of America

Renzo Luzzatti, MBA, US-Rx Care

Moderator: Karen van Caulil, PhD, Florida Alliance

2:00PM-3:00PM

## **The Hendry Marine Story: Our Journey to Self-Funding and Innovation**

Stephanie Koch, SCP-SHRM, SPHR, Hendry Marine Industries

Patrick Gangemi, OneDigital

3:00PM-3:15PM

## **Wrap Up**

# Session 3



## Best of the Best in Pharmacy Benefit Management



**Shannon Early, SPHR, SHRM-SCP**  
*Vice President of Human Resources*  
Waste Pro USA



**Spencer R. Allen, Jr., CPBS**  
*Senior Vice President and Partner*  
Insurance Office of America



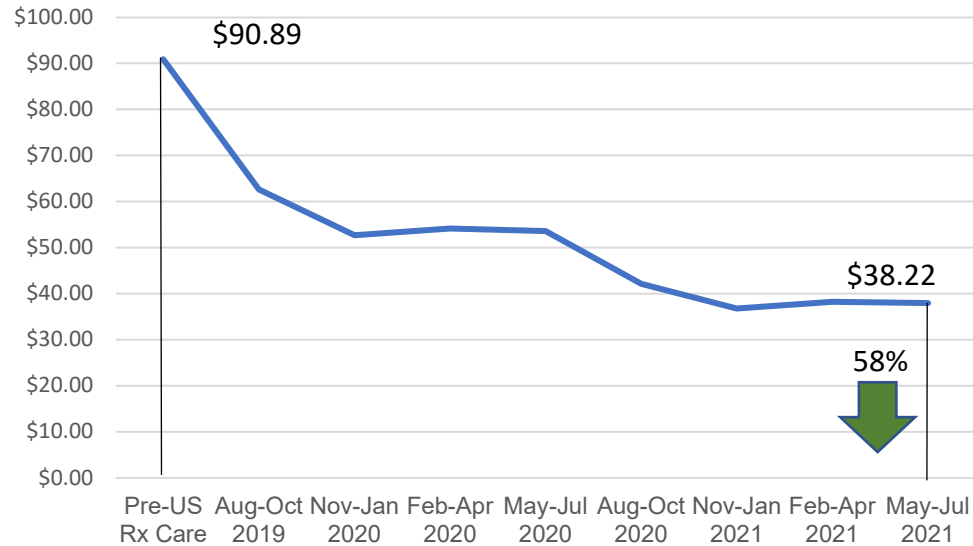
**Renzo Luzzatti, MBA**  
*President*  
US-Rx Care

Moderated by **Karen van Caulil, PhD**, President and CEO, Florida Alliance for Healthcare Value

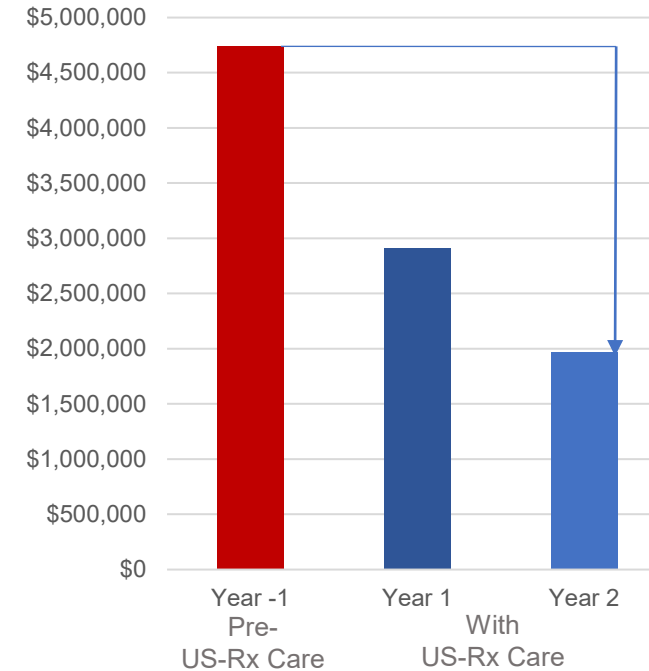
# Waste Pro Pharmacy Benefit Spend Three Year Trend



**Plan Paid Amount  
(Per Enrollee Per Month)**



**Plan Paid Amount  
(Annual)**



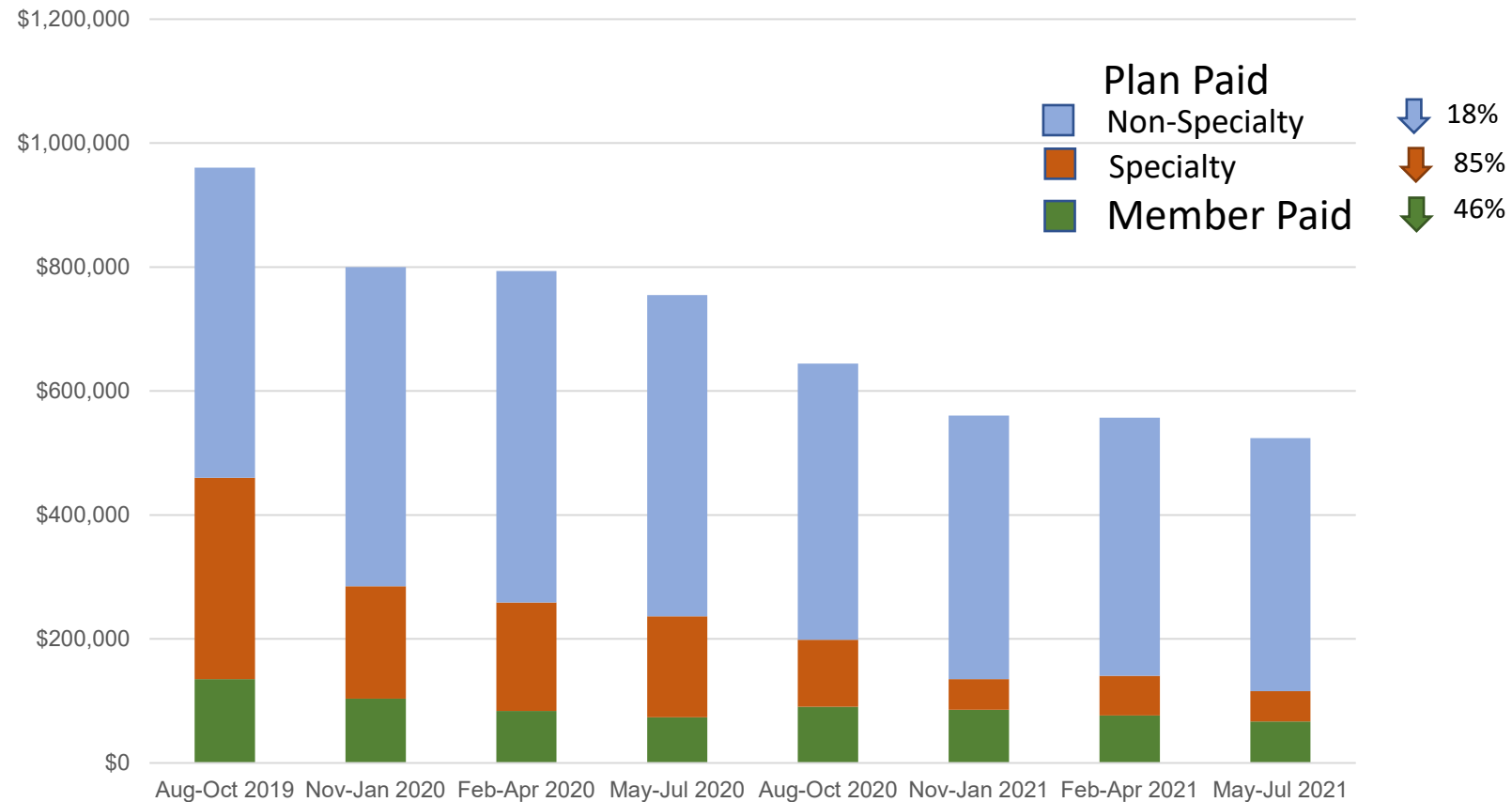
- \$2.8 MM Annual Cost Reduction
- \$4.6 MM Two-Year Cumulative Savings



# Waste Pro Pharmacy Benefit Spend Plan and Member Contribution Trend



Quarterly \$



# Rethinking How We Mitigate **HIGH-COST CLAIMS**

**The Problem:** Few (if any) employers have the size, resources or focus to address rapidly escalating high-cost claims. *Since 2016, the number of health plan members with claims \$3M+ has doubled*, heightening sustainability concerns. Elimination of annual and lifetime maximums through the Affordable Care Act and the dysfunction of the reinsurance market has made this a top priority for every employer, purchaser and market.

## High-Cost Claims Defined:

- Unpredictable/infrequent for individual employers
- Claims costing \$50,000 or more per year
- Cost outliers that are frequently lasered (i.e., stop-loss insurance covers only the first year of claims, then will cover everything except that claim)
- Often for severe, debilitating disease conditions

## Facts about high-cost claimants

JUST **1.2%**

OF ALL HEALTH PLAN MEMBERS  
ARE HIGH-COST CLAIMANTS

...but they make up 1/3 of total  
health care spending



**29x**

Average member cost

**53%** CHRONIC  
CONDITIONS



**\$122,382**

Average annual cost

**47%** ACUTE  
CONDITIONS

Wellmark Blue@Work

*"High-cost claims are the biggest threat to employer-sponsored healthcare coverage today. Only through collective employer action can these risks be mitigated."*

Michael Thompson  
National Alliance President & CEO

## Strategies will vary based on duration of expenditures and quality or quantity of options

### Long-duration Treatment

#### Multiple Effective Options

Hemophilia  
Multiple sclerosis  
Multiple myeloma  
Autoimmune  
Cystic fibrosis  
End-stage renal disease (ESRD)  
Hereditary angioedema

#### Limited Options

Spinal muscular atrophy  
Metastatic cancers  
Duchenne muscular dystrophy  
Immune globulin (palliative)  
Congenital anomalies (lifelong)

### Short-duration Treatment

Lymphoma  
Premature birth  
Spine surgeries  
Immune globulin (therapeutic)  
Inherited retinal dystrophy (RPE65)

Spinal muscular atrophy  
Neutrotrophic keratitis  
Transplant  
Congenital anomalies  
Idiopathic pulmonary fibrosis  
Sepsis  
Trauma and burns



## National Alliance Offers Tools to Build the Bridge to Sustainability

- [Mitigating High-cost Claims: A Closer Look at Hemophilia](#)
- [Employer Rx Value Report](#) and [Value Framework Infographic](#)
- [Hospital Payment Strategies: Setting Price & Quality Expectations](#)



# Be Proactive, not Reactive

## Specific Saving Strategies for High-Cost Medical Drugs

Learn more: [Achieving Accountability & Predictability on the Medical Side of Drug Benefits](#)

### CLINICAL RIGOR

- Separation of dispensing/rebates from clinical functions
- Independent, expert clinical management
- Cost-effective step therapy, when appropriate
- Elimination of waste
- Same level of clinical rigor applied to to specialty drugs on medical side
- Longer term – increased specialization

### COST-EFFECTIVE SOURCING

- Better align co-pay and patient assistance programs
- Unrestricted, competitive dispensing options and sources
- Site-of-care optimization for provider-administered drugs
- Longer term – collective management & stewardship

### Contracting Strategies

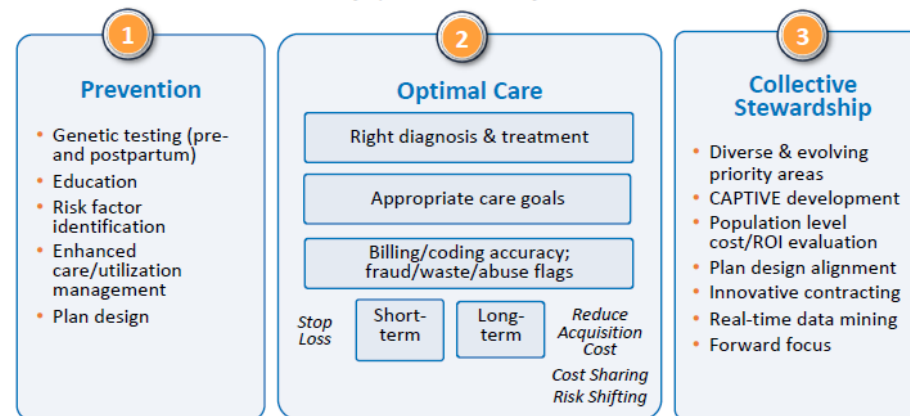
- Deconflict PBM and medical carrier relationships (fiduciary compliant)
- Reduced/fixed markups for provider buy/bill drugs
- Outcomes-based drug pricing
  - Specialty generics filled in retail, not at specialty pharmacy
  - Payment amortization (pay-over-time)
  - Hospital at home/telehealth
  - Narrow networks
  - More timely and transparent reporting
  - Bill review/negotiation
- Longer term – population-based hybrid contracts

### Plan Design Strategies

- All drug management under the pharmacy benefit
- Dose rounding protocols (for injectables)
- More rigorous utilization management for high-cost drugs
  - PA/pre-certification functions
  - Preferred drug lists/formularies
  - Quantity limits
  - Step therapy
  - Specialty carve out
  - Exclusions/coverage limitations
- Aligned financial incentives with plan participants
- Leverage secondary coverage when available (e.g., spouse employer, Medicaid or Medicare)
- Longer term - Steerage to improve quality, appropriateness and reduce impact of middlemen

## Integrate Core Pillars of Overall Risk and Cost Reduction

There is **no one-size-fits-all approach** to tackle the **broad spectrum of high-cost claims**; a combination of options is needed for each case

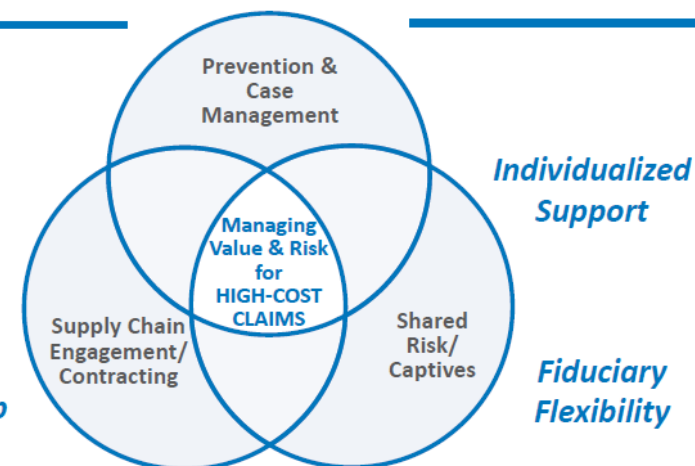


CONTINUOUSLY REEXAMINE PATIENT EDUCATION, INVOLVEMENT AND ACCOUNTABILITY TO ENSURE SUSTAINABLE PATIENT ENGAGEMENT

### Longer-term Approach

Population Focus

Collective Stewardship





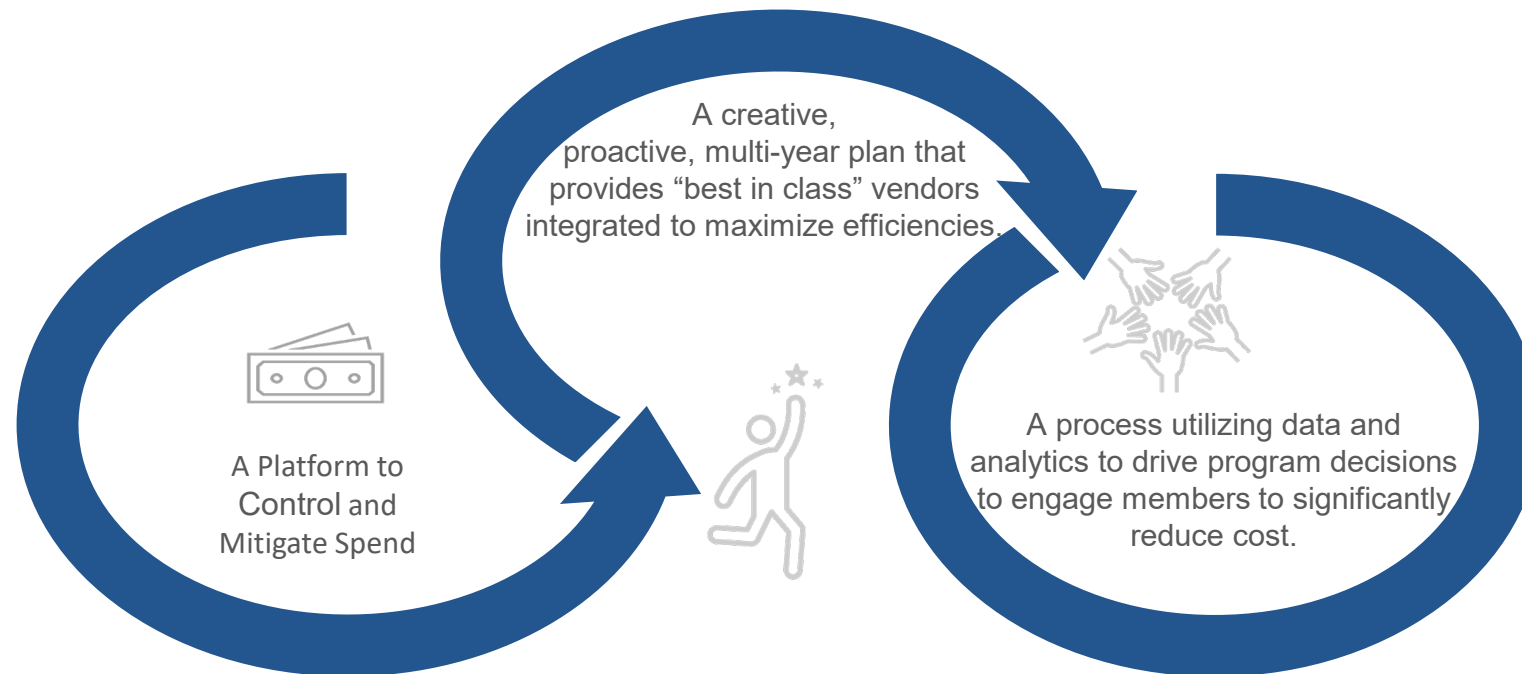
# Insurance Office of America (IOA)

## 1. Who is IOA

- A top 25 National Brokerage & Consulting agency w/1500 Ees and 60 offices around the USA, Puerto Rico and Ireland.
- Our National Practice is in our home office in Longwood, FL.
- My Regional Team are all “seasoned” veterans in the partially self-funded unbundled world specializing in the middle market to national account space.
- Our philosophical approach in Managing Employee Benefit Plans is to use creative & progressive solutions to lower plan spend while adding value to Members.

# IOA's Consulting Approach

- **Develop a Health Management Strategy** based on the client's benefits philosophy, culture and risk tolerances.
- **Manage the Healthcare Supply Chain** b/c 35% is Waste, Fraud and Abuse - inpatient, outpatient, physicians and pharmacy.



# Insurance Office of America (IOA)

## 3. Quantify Performance

- How did the change affect Members, was there noise?
- What were the Savings/ROI?
- Did we improve outcomes?
- Did we add value to the plan for Members while lowering spend?

## 4. Our Performance

- Since 2015, our Book-of-Business (BOB) trend on a year-over-year PEPY basis is 0.88% for Medical/Rx vs National trends of 7%-8%.
- Since 2015, our BOB trend on a year-over-year PEPY basis is -7.88% for Rx vs National trends of 8% - 9%.
- Cost Savings are in the tens of millions of dollars while Cost Avoidance is in the hundreds of millions of dollars.

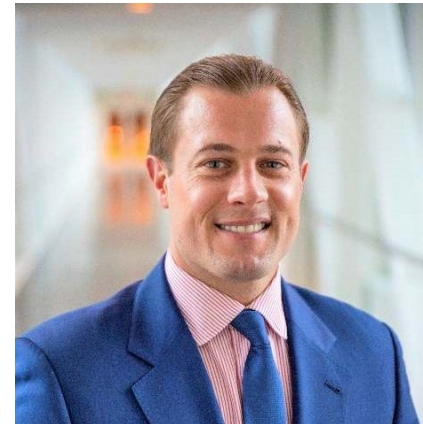
# Session 4



## The Hendry Marine Story: Our Journey to Self-Funding and Innovation



**Stephanie Koch, SCP-SHRM, SPHR**  
*Director of Human Resources*  
Hendry Marine Industries, Inc.



**Patrick Gangemi**  
*Principal*  
OneDigital

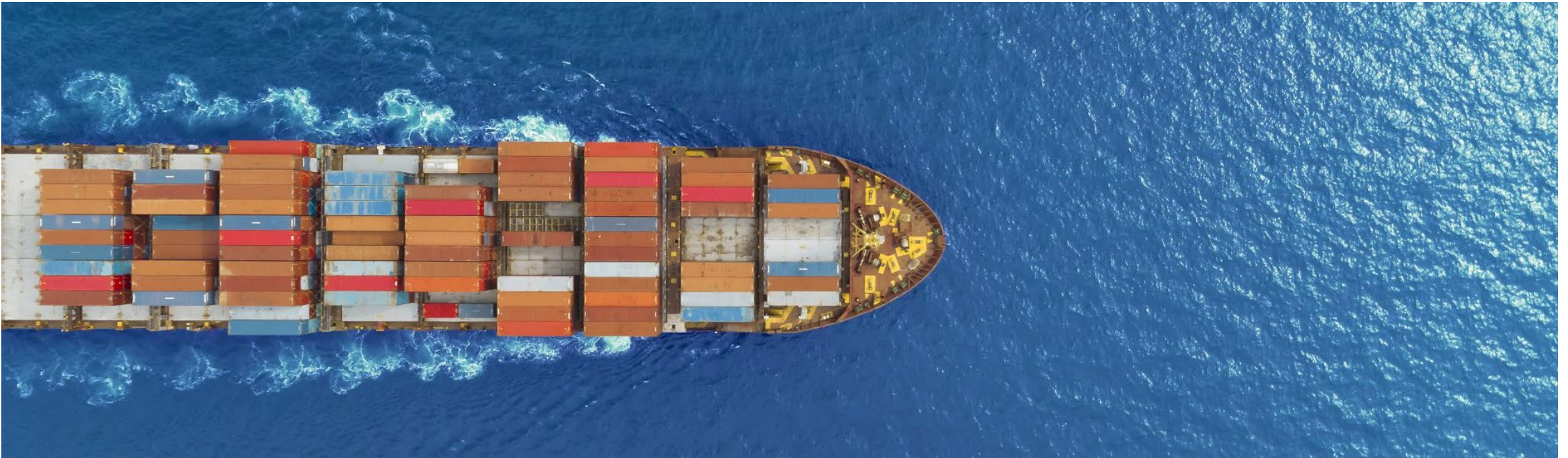
# The Hendry Marine Story: Our Journey to Self-Funding and Innovation

## Florida Alliance “Best of the Best”

September 14, 2022

Stephanie M. Koch, Director of Human Resources @ Hendry Marine Industries

Patrick Gangemi, Principal @ OneDigital

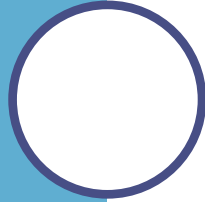




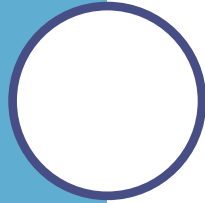


## Stephanie M. Koch, SPHR, SHRM-SCP

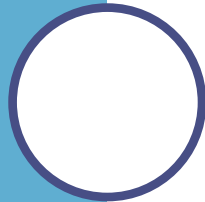
Director of Human Resources  
Hendry Marine Industries



**25+ years as a Human Resources practitioner**



Transformed the health plans of both  
**Dow Technologies & Hendry Marine** by  
moving them to **self-funded** and implementing  
**cost containment solutions** like RBP and  
transparent PBM



**10+ years in the fully-insured space**



**Patrick Gangemi**  
*Principal*  
**OneDigital**

- **14 Years as a Benefits Consultant**
- **Hendry Marine Insurance Broker since 2015**
- **Primary consultant on Hendry's transition from fully insured to self-insured in 2017**
- **Primary consultant to facilitate move to Referenced Based Pricing (RBP) model in 2019**
- **OneDigital's advice and Hendry's willingness to adapt while implementing cost mitigating solutions has yielded extremely positive results for Hendry Marine Industries with PEY costs less in 2021 & 2022 than in 2013 when fully insured**



# ABOUT HENDRY MARINE

- Located on **50 acres** within the Port of Tampa, Hendry Marine is the largest turnkey shipyard on the Gulf Coast
- **300** full-time employees
- **180** employees on the healthcare plan
- **338** total covered lives
- **60%** of our workforce is enrolled in our healthcare benefits
- **75%** of the healthcare benefit premium covered by the company





# Who is OneDigital?

The nation's leading health, retirement/wealth, and HR advisory firm focused on empowering business growth for employers of all sizes and has consistently led as a workplace ally for over 20 years.

We are fierce innovators, caring and adaptive leaders, challenging partners, creative problem solvers and champions of individuals and families.

**3,000+**

business strategists  
supporting customers  
across the country.

**161+**

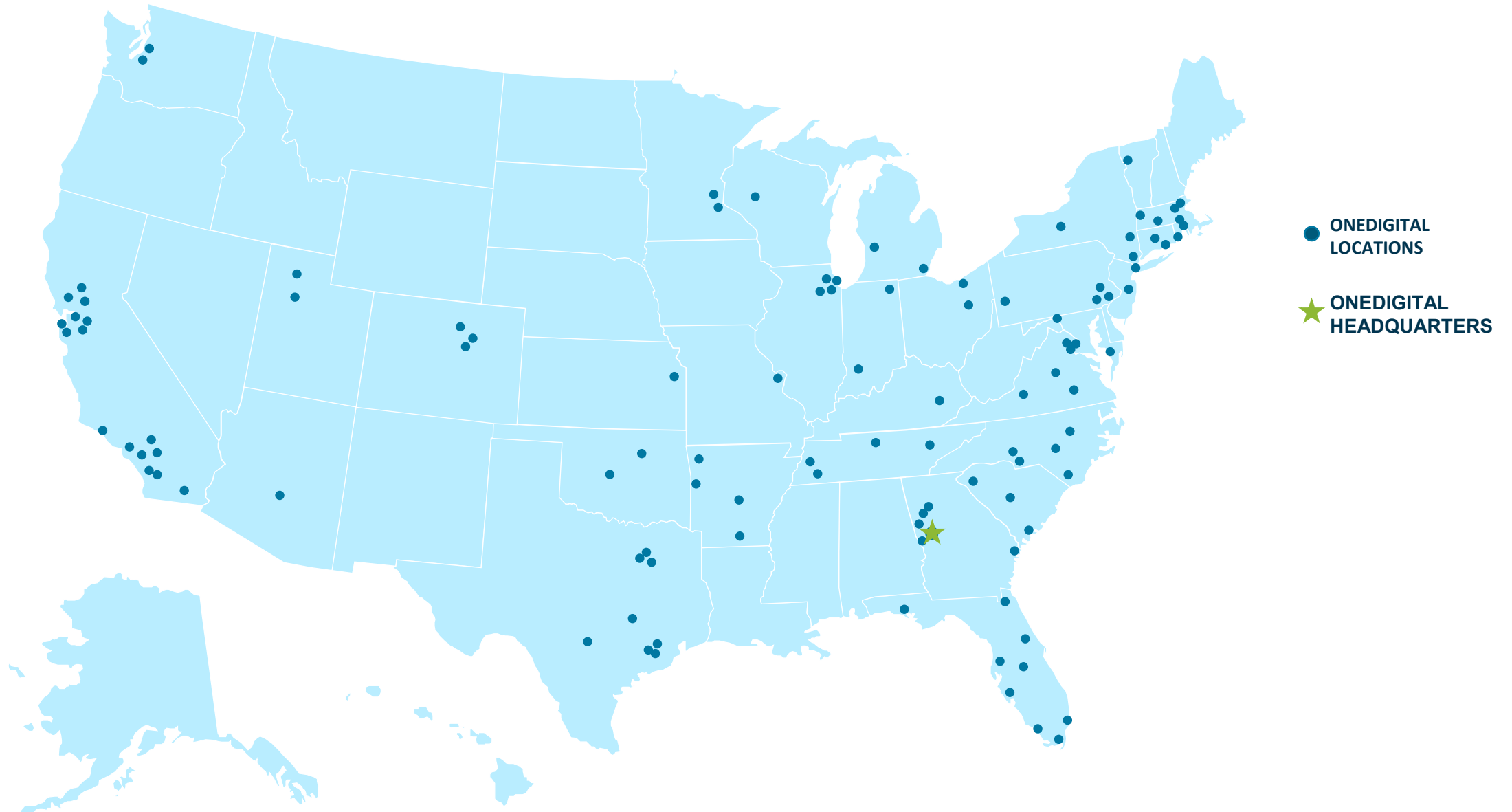
offices across the nation  
and growing!

**85,000+**

employers rely on our employee  
benefits, human resources and  
retirement consulting services.



# POWER YOUR PEOPLE – LOCALLY AND NATIONALLY



# Our Healthcare System is Broken

## EMPLOYERS

**55%**

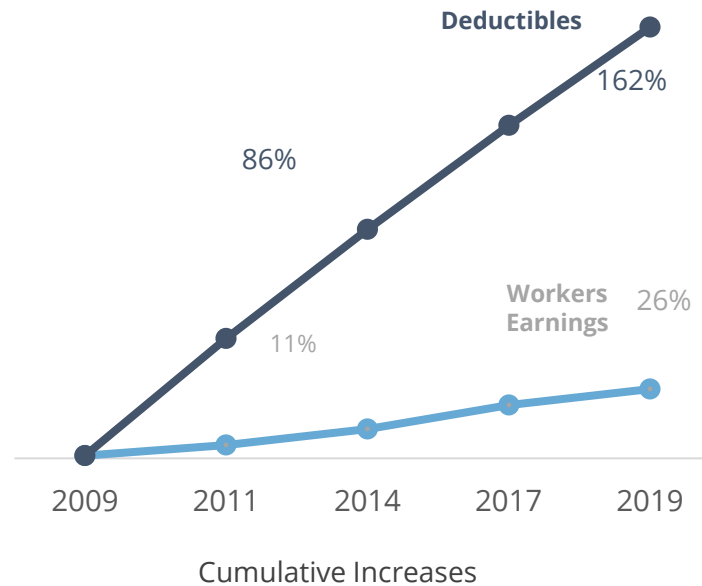
increase in costs  
for family coverage since 2008

**>\$22K**

Annual health plan cost  
per employee

## A WIDENING GAP

Costs are growing  
**6X FASTER** than wages



## FAMILIES

**1/3**

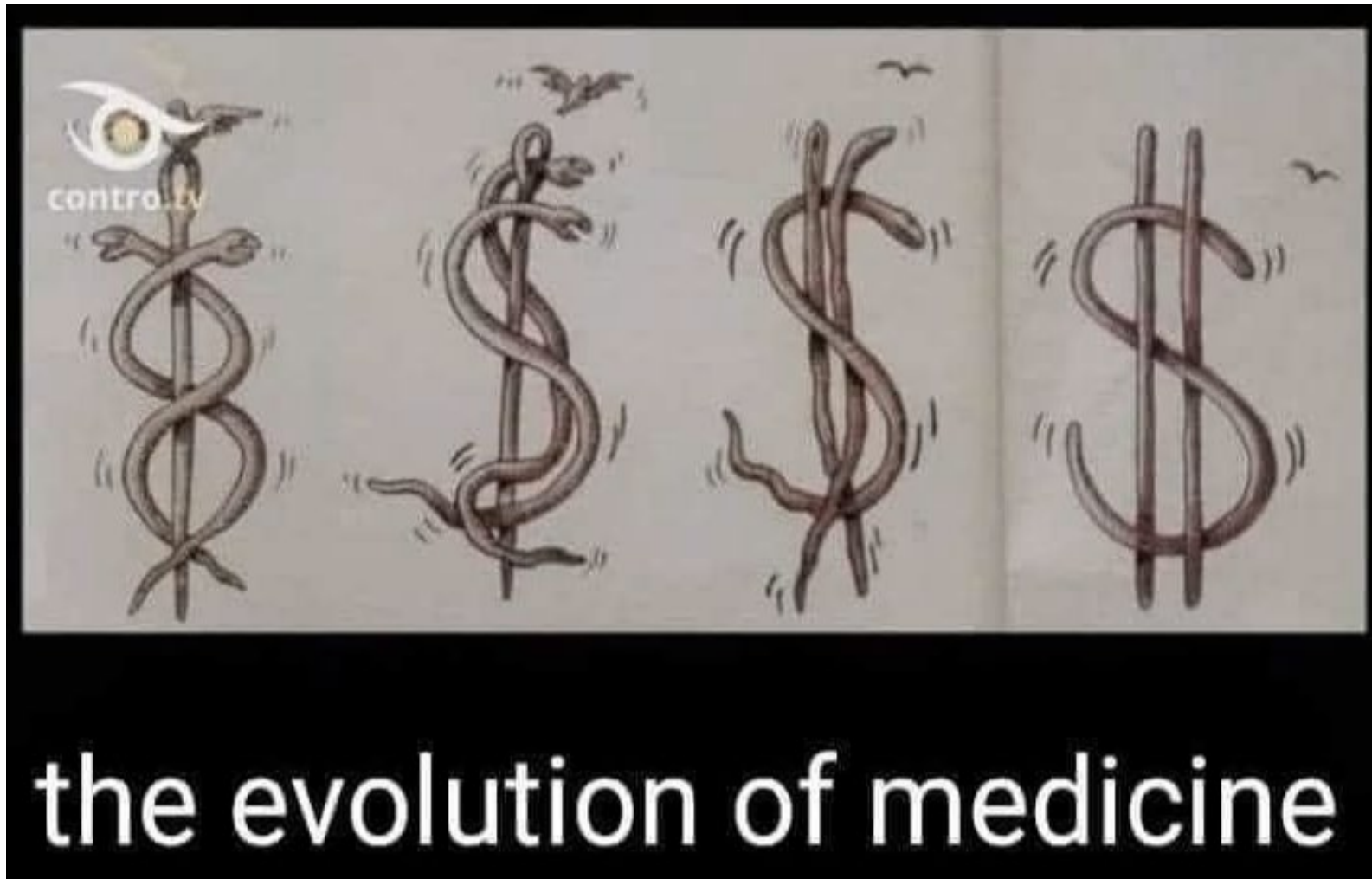
of privately insured  
Americans are hit with  
surprise medical bills<sup>1</sup>

**44%**

of privately insured patients  
skip or delay medical care  
because they can't afford it

Sources: Kaiser (2021), CNBC, Transunion (2018), DOL statistics

1: Consumer Reports, 2015

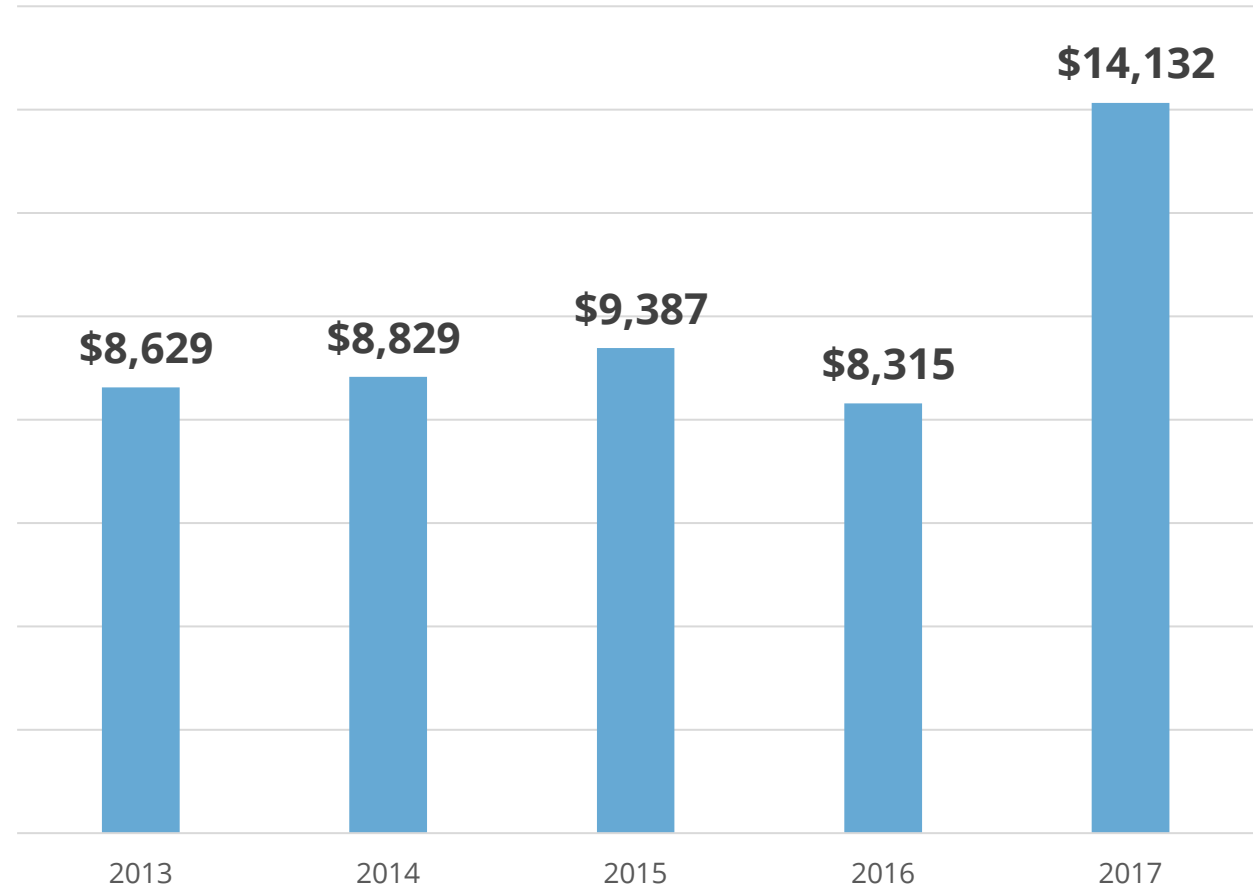




# Hendry Marine's Healthcare Cost Challenges

- Hendry was fully-funded and experiencing **increases year-after-year**
- Plan design and benefits suffered
- Employees were paying more but getting less
- Sound familiar?

Hendry Marine Healthcare Costs: PEPY

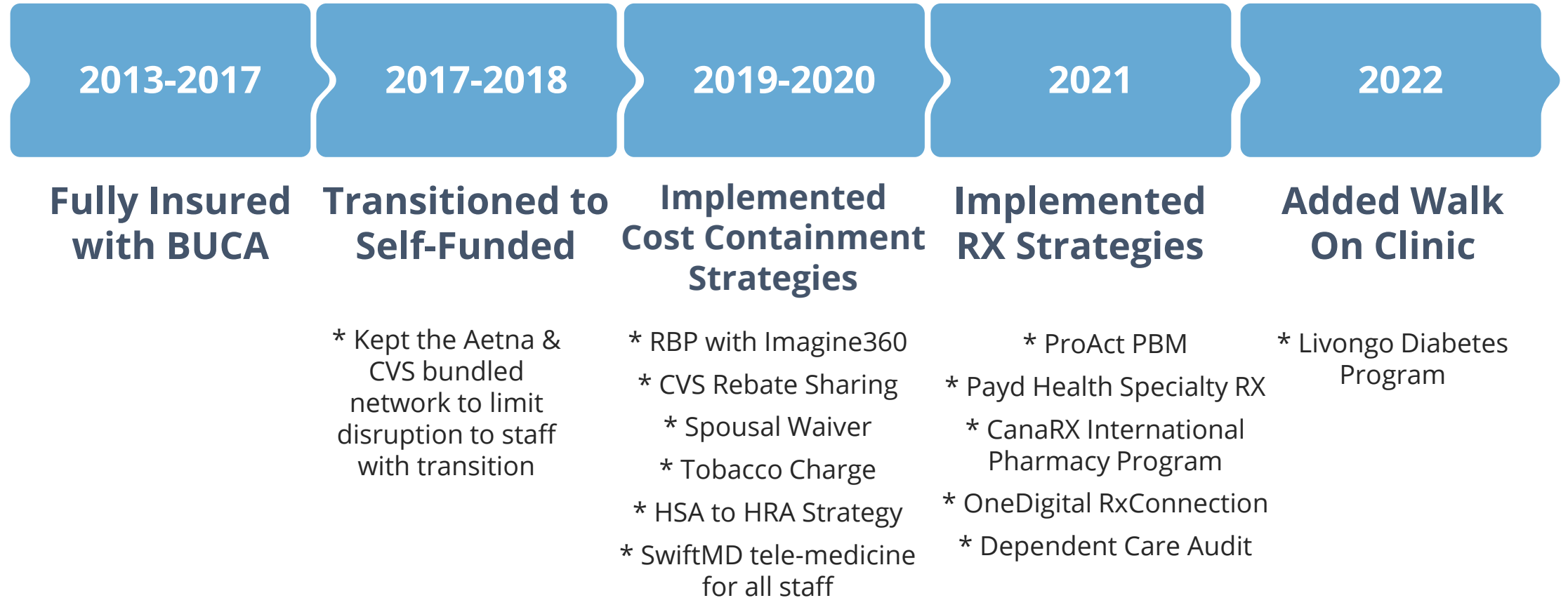




There is a better way, but how?



# Hendry Marine Historical Benefits Summary



# The Benefits of Transitioning From Fully-Insured to Self-Funded

- It's like taking your traditional healthcare plan, deconstructing it and putting it together yourself.
- You get to make the program work for you and your company, unlike traditional plans where you are forced to use an “off the shelf” product.
- You gain:
  - Control over plan design
  - Control over the plan cost
  - Complete flexibility in choosing network and pharmacy benefits manager
  - Reporting transparency – this is key to developing your annual plan strategy!

# Cost-Containment Strategies Implemented

Reference-Based  
Pricing

Transparent  
PBM

Dependent Care  
Audit

Telemedicine

Spousal Waiver

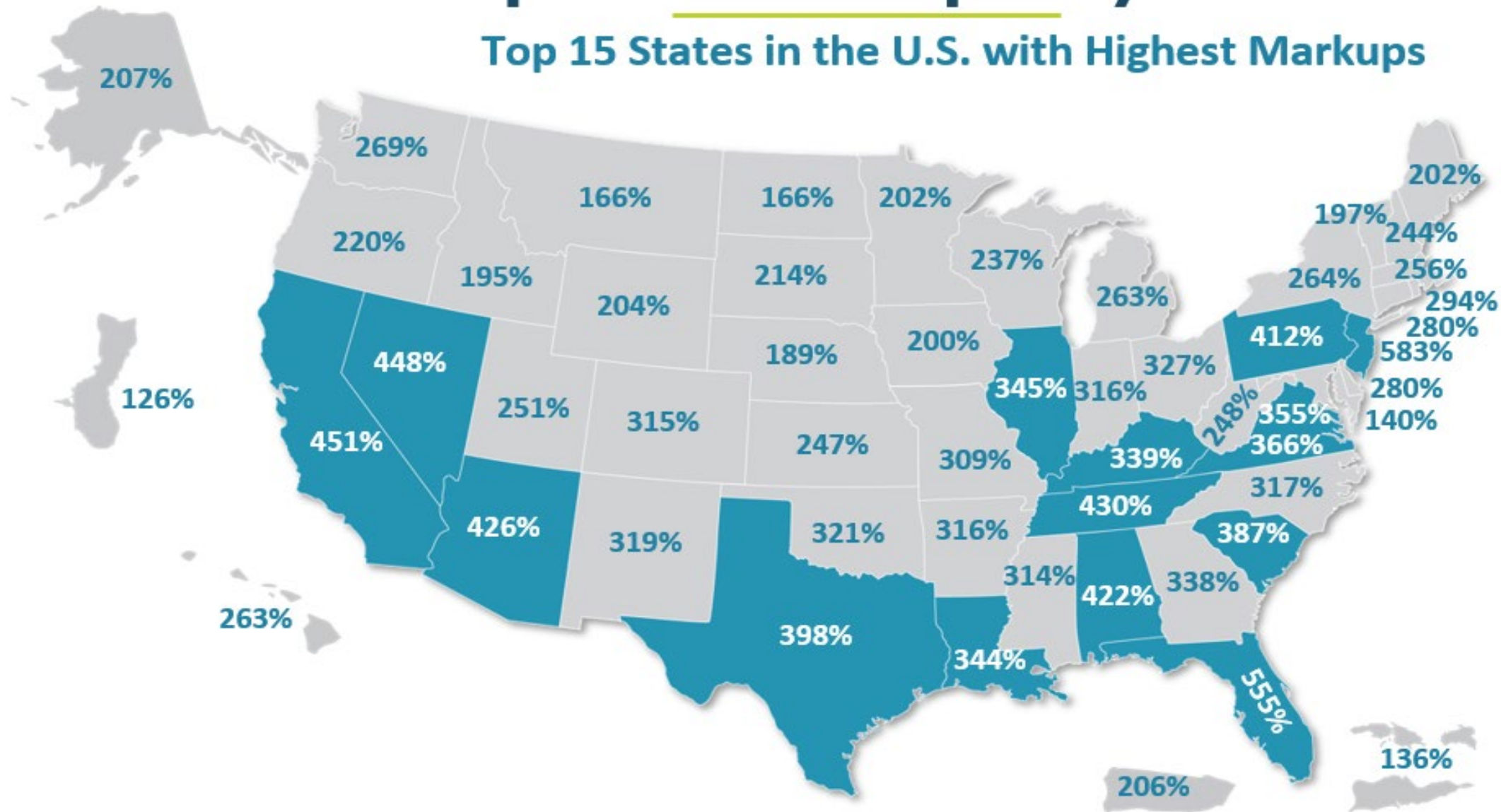
Tobacco  
Surcharge

Diabetes  
Program

Walk On  
Clinic

# Hospital Markups by State

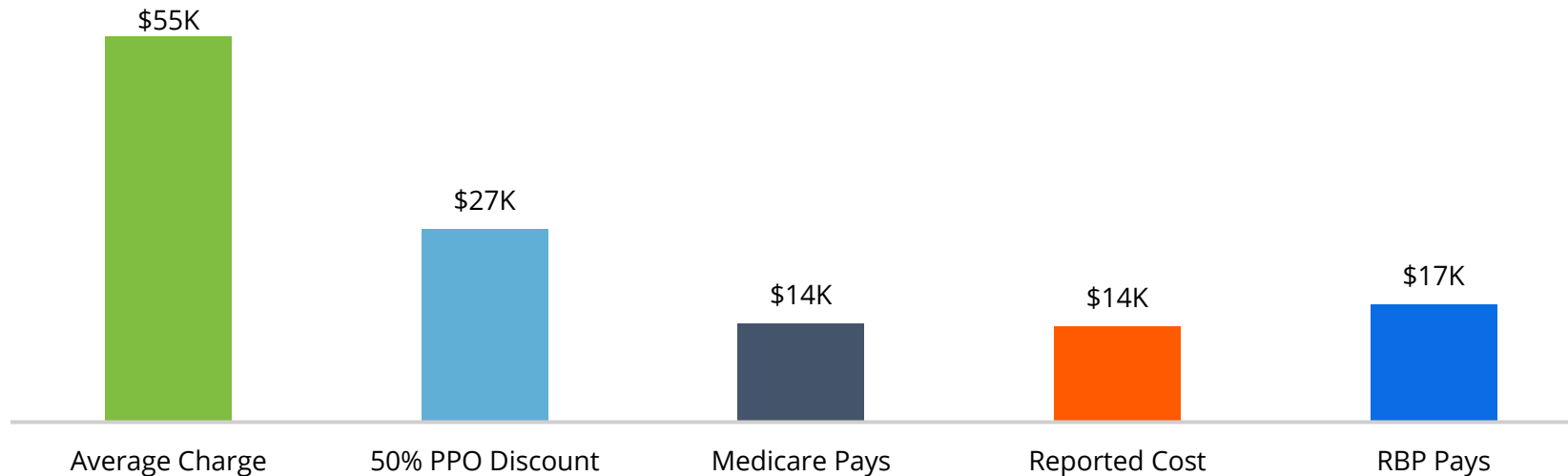
Top 15 States in the U.S. with Highest Markups



# Reference-Based Pricing

## Major Hip and Knee Joint Replacement (DRG470)

Hospital X



### Medicare + 20%

The largest payer in the world; takes into account all hospital costs for each specific hospital

Source: American Hospital Directory

1. **IDENTIFY** the actual cost of the service
2. **REPRICE** using Medicare and reported cost
3. **DETERMINE** an equitable payment and margin

### Cost + 12%

Self-reported, all-in cost from each individual hospital, by department; reported yearly

# REFERENCED BASED PRICING ENSURES PROVIDER PAYMENTS ARE FAIR

"MRI" SAMPLE	Avg. Charge	50% PPO Discount	Reported Cost	Medicare Pays	i360 Paid
Hospital #1	\$2,188	\$1,094	\$163	\$184	\$221
Hospital #2	\$3,147	\$1,573	\$218	\$201	\$244
Hospital #3	\$5,840	\$2,920	\$110	\$199	\$239

## Medicare + 20%

The largest payer in the world; takes into account all hospital costs for each specific hospital

1. **IDENTIFY** the actual cost of the service
2. **REPRICE** using Medicare and reported cost
3. **DETERMINE** an equitable payment and margin

## Cost + 12%

Self-reported, all-in cost from each individual hospital, by department; reported yearly

# Transparent PBM

- Switched to ProAct Rx
- Moved one of our prescriptions from the medical side to the PBM side - **saving \$100,000+**
- Implemented international pharmacy program
- Implemented specialty pharmacy program – Payd Health

	Proact BOB	Hendry Marine
PMPM	\$73.15	\$48.26
Inflation	1.67%	0.89%
Rx Per Member	\$6.99	\$5.62
Specialty Plan Paid	41.35%	0



# Walk On Clinic

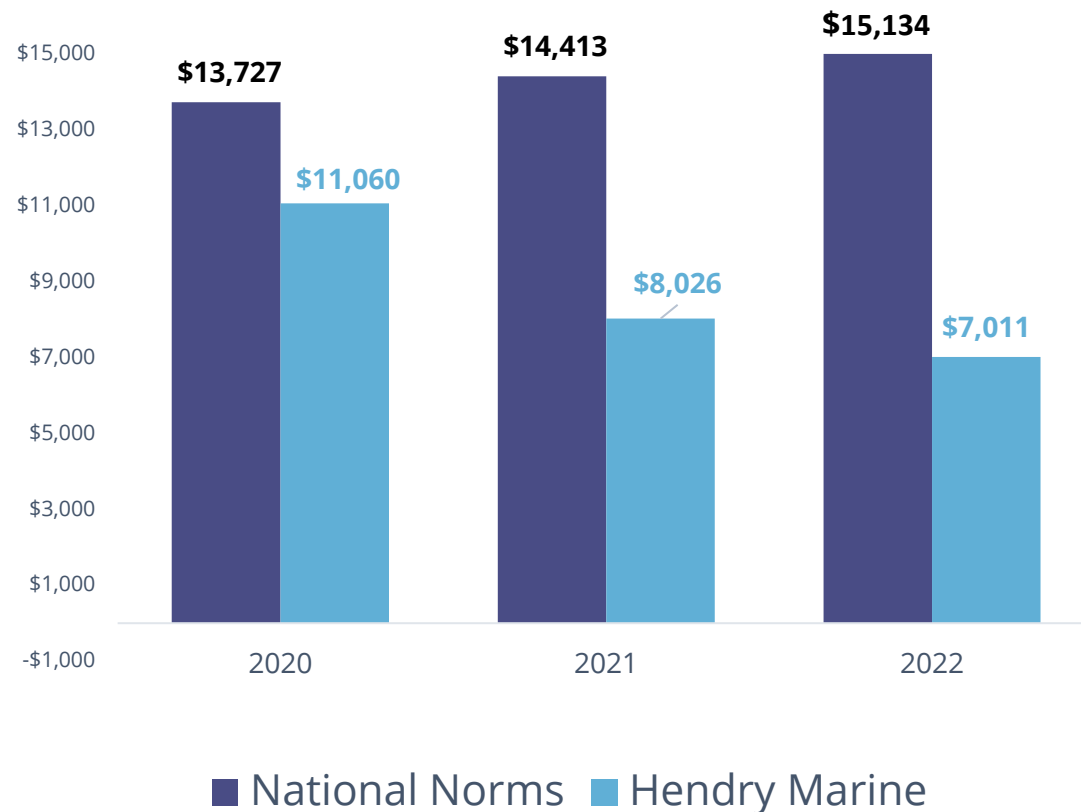
Thanks to reporting transparency, we knew that **only 19%** of members were using preventative wellness benefits.

Date Range 1: 1/1/2021-12/31/2021						
Adult Screenings	Eligible Members	Participating Members	Number of Claims	Non-Participating Members	Participation	Payments
Abdominal Aortic Aneurysm Screening	7	0	0	7	0.00%	\$0.00
Breast Cancer	88	31	35	57	35.23%	\$7,625.13
Cervical Cancer Screening	128	16	17	112	12.50%	\$1,210.68
Colorectal Cancer Screening	213	6	6	207	2.82%	\$1,814.29
Diabetes Screening	213	13	13	200	6.10%	\$196.55
Lipid Disorder Screening	258	17	17	241	6.59%	\$349.16
Osteoporosis Screening	9	0	0	9	0.00%	\$0.00
Preventive Care Visit	418	82	93	336	19.62%	\$12,861.22
Date Range 2: 1/1/2022-6/14/2022						
Adult Screenings	Eligible Members	Participating Members	Number of Claims	Non-Participating Members	Participation	Payments
Abdominal Aortic Aneurysm Screening	10	0	0	10	0.00%	\$0.00
Breast Cancer	75	11	11	64	14.67%	\$2,502.35
Cervical Cancer Screening	102	6	8	96	5.88%	\$414.65
Colorectal Cancer Screening	185	6	6	179	3.24%	\$1,764.53
Diabetes Screening	185	17	17	168	9.19%	\$165.07
Lipid Disorder Screening	226	27	28	199	11.95%	\$339.44
Osteoporosis Screening	7	0	0	7	0.00%	\$0.00
Preventive Care Visit	353	70	77	283	19.83%	\$5,979.85



- The Walk on Clinic was implemented for convenient access to care at work.
- At little or no cost to employees and their covered dependents.
- By end the end of May 2022, we already surpassed the preventative wellness benefit utilization for all of 2021.
- One employee was diagnosed with Type II Diabetes – had no idea he had it.
- Another employee had a lump in his neck and was diagnosed with cancer – he had no idea he had it!

# Financial Results



- \$1.5 million+ since 2019 when compared to a traditional plan
- Insurance premium rates held steady from 2019 through 2021
- We increased premiums minimally in 2022 to help fund the Walk on Clinic



## A surplus? What's a surplus?

The plan ran so well in 2021, we had a surplus of **\$1,000,000+**

Being used to fund claims for 2022.

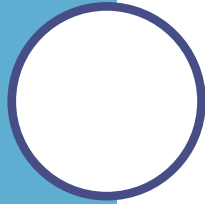
# Year-over-Year Performance

Year	Facility/Professional	# of Claims	Billed Charges	Allowed Amount	Total Cost	Net Savings	Savings Rate
2019	Facility	376	\$4,856,779	\$862,590	\$1,411,400	\$3,445,379	70.9%
	<b>Total</b>	<b>376</b>	<b>\$4,856,779</b>	<b>\$862,590</b>	<b>\$1,411,400</b>	<b>\$3,445,379</b>	<b>70.9%</b>
2020*	Facility	323	\$5,282,807	\$928,243	\$1,491,552	\$3,791,255	71.8%
	<b>Total</b>	<b>323</b>	<b>\$5,282,807</b>	<b>\$928,243</b>	<b>\$1,491,552</b>	<b>\$3,791,255</b>	<b>71.8%</b>
2021	Facility	289	\$4,260,490	\$784,147	\$1,233,808	\$3,026,681	71.0%
	Professional	3,116	\$1,703,334	\$590,159	\$688,056	\$1,015,277	59.6%
	<b>Total</b>	<b>3,405</b>	<b>\$5,963,823</b>	<b>\$1,374,307</b>	<b>\$1,921,864</b>	<b>\$4,041,959</b>	<b>67.8%</b>
2022	Facility	64	\$1,519,290	\$220,166	\$387,281	\$1,132,010	74.5%
	Professional	932	\$532,323	\$176,124	\$206,647	\$325,675	61.2%
	<b>Total</b>	<b>996</b>	<b>\$2,051,613</b>	<b>\$396,290</b>	<b>\$593,928</b>	<b>\$1,457,685</b>	<b>71.1%</b>
<b>From Inception</b>	<b>Total</b>	<b>5,100</b>	<b>\$18,155,022</b>	<b>\$3,561,430</b>	<b>\$5,418,745</b>	<b>\$12,736,277</b>	<b>70.2%</b>

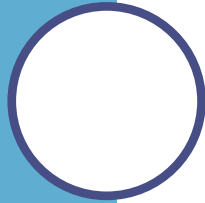
\*Professional Discount in 2020 (with PHCS) was 49.3% off billed charges



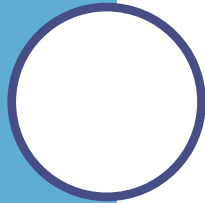
# Aha! Moments



You don't have to change your plan design!

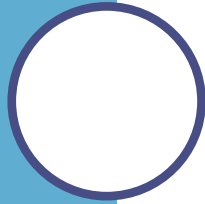


Specialty Rx vs. Medical

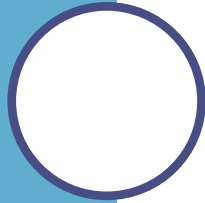


Transparency, transparency, transparency

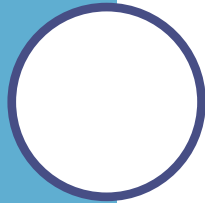
# Aha! Moments



Not all vendors are created equal



Who you partner with is critical for the success of your plan



My HR team has more support than we had before

Business strategy drives workforce strategy. Employee benefits must be modernized to include the **entire person** through the convergence of health care and retirement readiness plans, delivered through a meaningful workforce and HR strategy.





# ONEDIGITAL SERVICE CAPABILITIES



## HEALTH AND BENEFITS

With year-round planning and guidance, we provide a strategic roadmap for the delivery and measurement of benefits plans.



## FINANCIAL WELLBEING

Our advisors provide tools, resources and management for a variety of retirement plan and wealth management services.



## TECHNOLOGY

Streamline your HR and benefits technology needs with our proprietary all-in-one platform that empowers your employees and simplifies your HR processes.



## PHARMACY

OneDigital's Pharmacy Consultants work relentlessly to empower employers to offer superior pharmacy benefits while helping employers effectively manage pharmacy spend.



## REPORTING AND ANALYTICS

Data drives the best decisions, and our suite of predictive analytic tools uncover deep insights and emerging risk drivers to inform strategic decision-making.



## EDUCATION AND COMMUNICATION

OneDigital keeps your HR team up-to-date on the latest strategies and industry developments. We also educate your employees to help them decipher their benefits and become better healthcare consumers.



## HR CONSULTING

HR, payroll and benefits guidance delivered across a variety of industries and workforce sizes.



## VOLUNTARY BENEFITS

Help employees protect themselves and their families from financial hardship associated with injury, illness or even death.



## EMPLOYEE ADVOCACY

OneDigital provides support and education to empower your employees to be better healthcare consumers and increase employee engagement.



## HEALTH AND WELLBEING

We use a process-driven approach to build tailored, effective, measurable health and wellbeing programs based on your organization's employees, culture and budget.



## COMPLIANCE

Get the advice and action steps you need from our dedicated team of attorneys and experts to meet your regulatory responsibilities.



## GLOBAL BENEFITS

Whether you have one employee on short-term travel, three people in several countries or 20 office around the world, we have you covered wherever you go.



A large group of people, mostly wearing blue t-shirts, are posing on a wide set of stairs in a modern building. Many of them have their hands raised in a celebratory gesture. In the background, two large blue banners with the word 'ONE' and a colorful geometric logo are visible. The scene is brightly lit, suggesting an indoor event or conference.

# Thank You!

Patrick Gangemi

Email: [pgangemi@onedigital.com](mailto:pgangemi@onedigital.com)

Phone #: (484) 645-2982



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# Thank you!

**Stephanie Koch**

[skoch@hendrymarine.com](mailto:skoch@hendrymarine.com)

Cell #813-352-2265



# ONEDIGITAL

OneDigital is the nation's leading strategic advisory firm focused on driving business growth for employers of all sizes. Combining people and technology, OneDigital offers employers a sophisticated combination of strategic benefit advisory services, analytics, compliance support, human resources management tools and comprehensive insurance offerings.

Though this deliverable was built using peer-reviewed assumptions that have been deemed to be actuarially sound and appropriate, an Actuary has not reviewed this model. We assume no liability for the results presented, which could differ from actual experience, potentially significantly, due to fluctuation in claims, changes to the underlying population, and other variables.



# Thank you to our speakers!



Shannon Early,  
SPHR, SHRM-SCP



Stephanie Koch,  
SCP-SHRM, SPHR



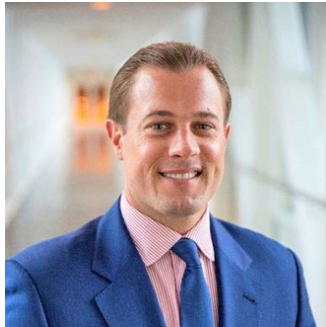
Doug Peddie, MBA



Charles Prijatelj, Ed.D.



Spencer R. Allen, Jr.,  
CPBS



Patrick Gangemi



Renzo Luzzatti,  
MBA



Anthony Marino



Penny Moore,  
AHIP



Patrick Reilly



# Reception



You are invited to attend a reception on the  
**Boca Patio from 4:15PM – 5:30PM**  
Hosted by the Validation Institute



**Validation**Institute



Thank you for attending  
our 27<sup>th</sup> Annual

