



Florida Alliance - Best of the Best 2024

How Your Company Can Regain Control of Your Healthcare Program

DECEMBER 10, 2024

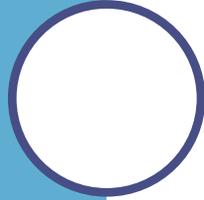




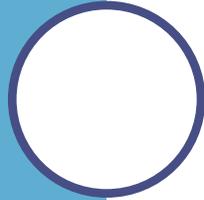
Stephanie M. Koch
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Director of Human Resources
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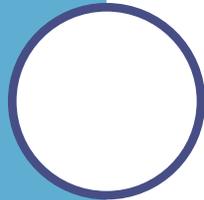
Vice Chair – Florida Alliance for
Healthcare Value



25+ years as a Human Resources practitioner



Transformed the health plans of both **DOW Technologies & Hendry Marine** by implementing **cost containment solutions** like RBP (Reference based pricing) and transparent PBM (Pharmacy benefit manager), and on-site primary care



10+ years in the self-insured space

ABOUT HENDRY MARINE

- Located on **50 acres** within the Port of Tampa
- **300** full-time employees
- **180** employees on the healthcare plan
- **300** total covered lives
- **60%** of our workforce is enrolled in our healthcare benefits
- **80%** of the healthcare benefit premium covered by the company





The Healthcare System is Broken & Misaligned

Did You Know?

1/3 of Americans

must take out a loan to help pay for medical expenses

38% of Adults

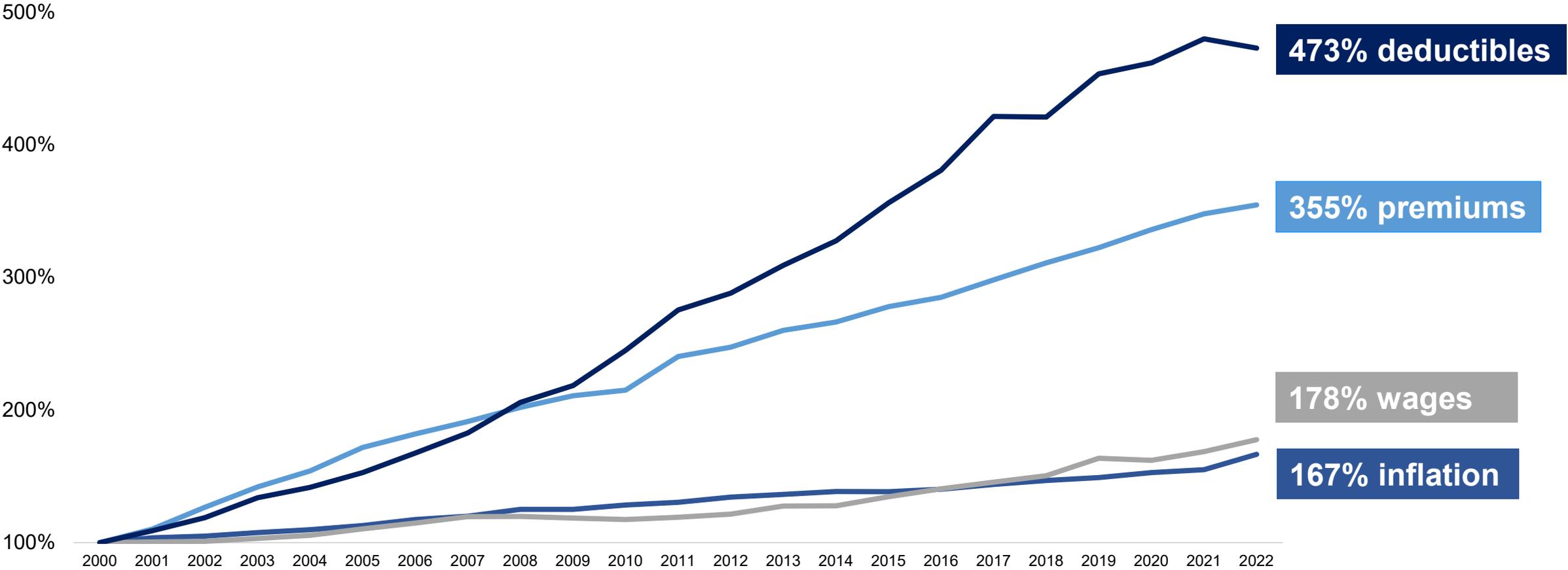
enrolled in HDHP's either skip or forego recommended medical care

52% of Insured Americans

feel stressed about medical bills and say the stress has impacted their mental and physical health



Healthcare Costs are Growing Faster than Wages



473% deductibles

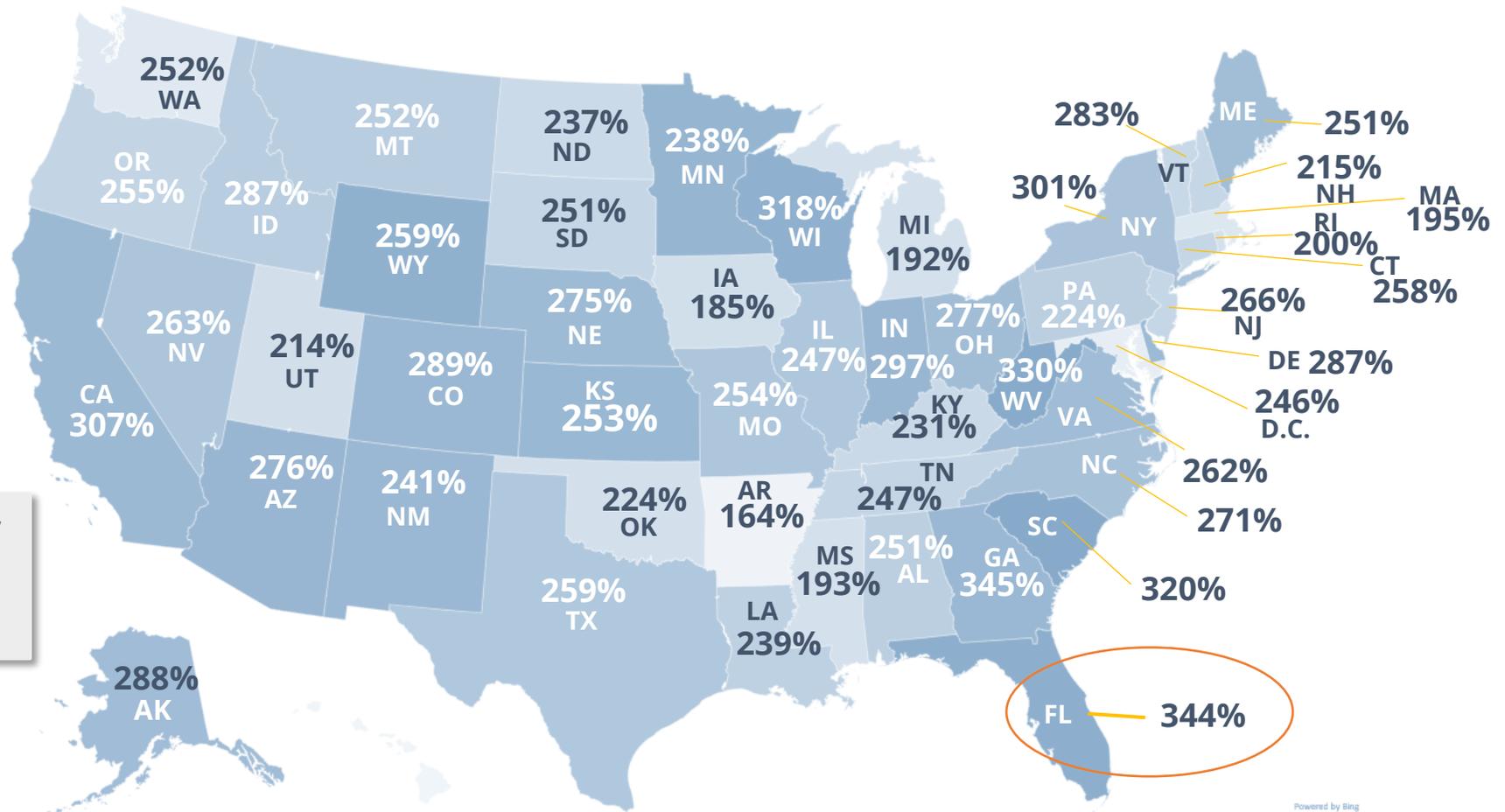
355% premiums

178% wages

167% inflation



Commercial Plans Pay More Than Medicare!



Commercial plans pay 254% of Medicare, on average

Source: National Evaluation of Health Care Prices Paid by Private Health Plans, RAND Corporation, May 2024

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Fiduciary Responsibilities

1

Employers have a fiduciary duty and right to intelligently operate the plan and to prudently control costs.

2

Transparency doesn't mean an employer has met their fiduciary responsibility.

3

Lawsuits against employers are starting to appear claiming poor fiduciary oversight.

Recent lawsuits target employers (and HR execs) for breach of fiduciary duties

CLASS ACTION COMPLAINT

Plaintiff Ann Lewandowski, individually, and on behalf of all others similarly situated, brings this action under 29 U.S.C. § 1132 against Defendants Johnson and Johnson; The Pension & Benefits Committee of Johnson and Johnson; and the members of the Pension & Benefits Committee of Johnson and Johnson, including Peter Fasolo, Warren Luther, and Lisa Blair Davis, for breaches of fiduciary duties and other violations under the Employee Retirement Income Security Act (“ERISA”), 29 U.S.C. §§ 1001-1461, and states as follows:

What Can HR Do?



○ Stop Hitting the EASY Button!

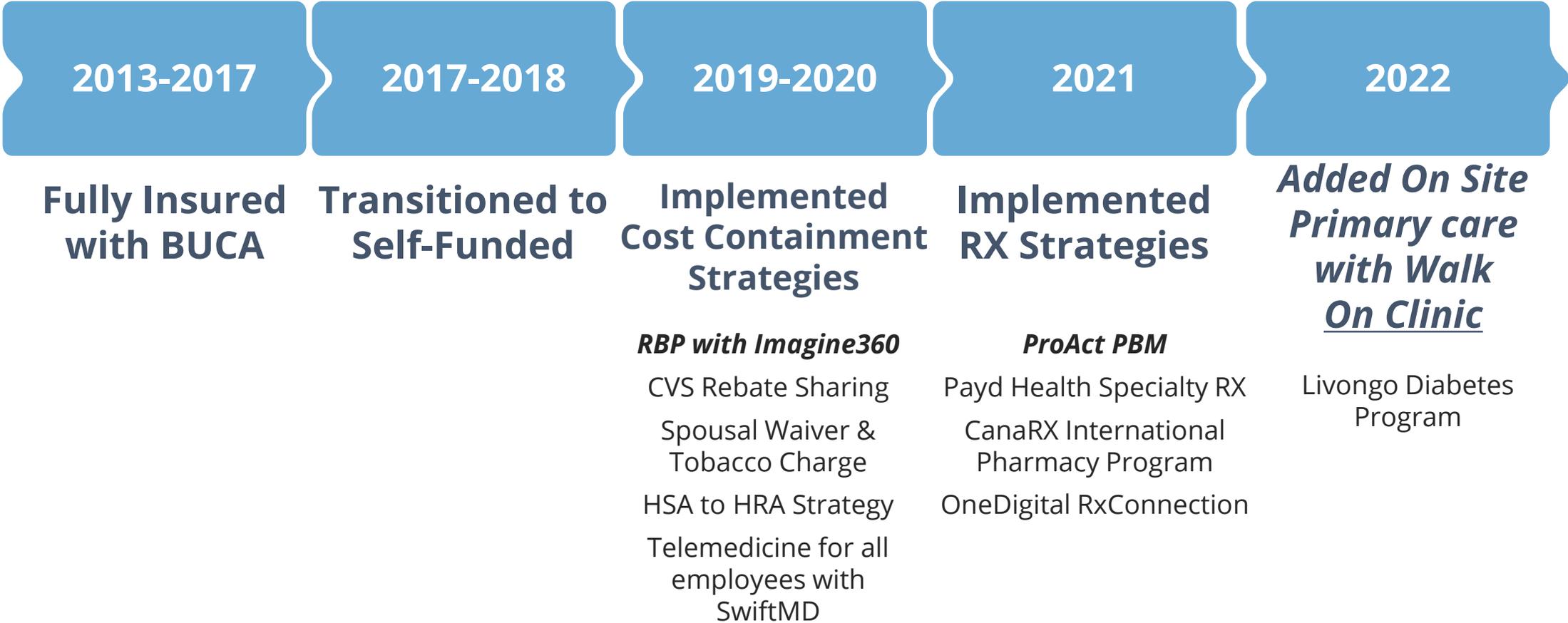
○ Partner with your executive team and contribute to the healthcare strategy discussions. Don't be a by-stander

○ HR can contribute to the bottom line of their organization by implementing a long-term healthcare strategy

Cost-Containment Strategies Implemented

 Reference-Based Pricing	 Transparent PBM	Dependent Care Audit	Telemedicine
Spousal Waiver	Tobacco Surcharge	Diabetes/Whole Person Program	 Walk On Clinic

Hendry Marine Historical Benefits Summary



Hendry Marine Historical Benefits Summary



2023 Added Benefits

- **Added a** Whole Person Program
- Walk On Clinic Open **2x Per Week**
- OnSpot **Dermatology**
- **Tobacco Cessation** Program
- Regenexx
- **Back to School and Sports Physicals** for Dependents 16+



More Benefits In 2024

- **Medications available on site** at the Walk On Clinic \$0 cost
- Population **health data analysis**
- New Whole Person program **with Walk On Clinic and Imagine360**

Hendry Marine Benefits 2025

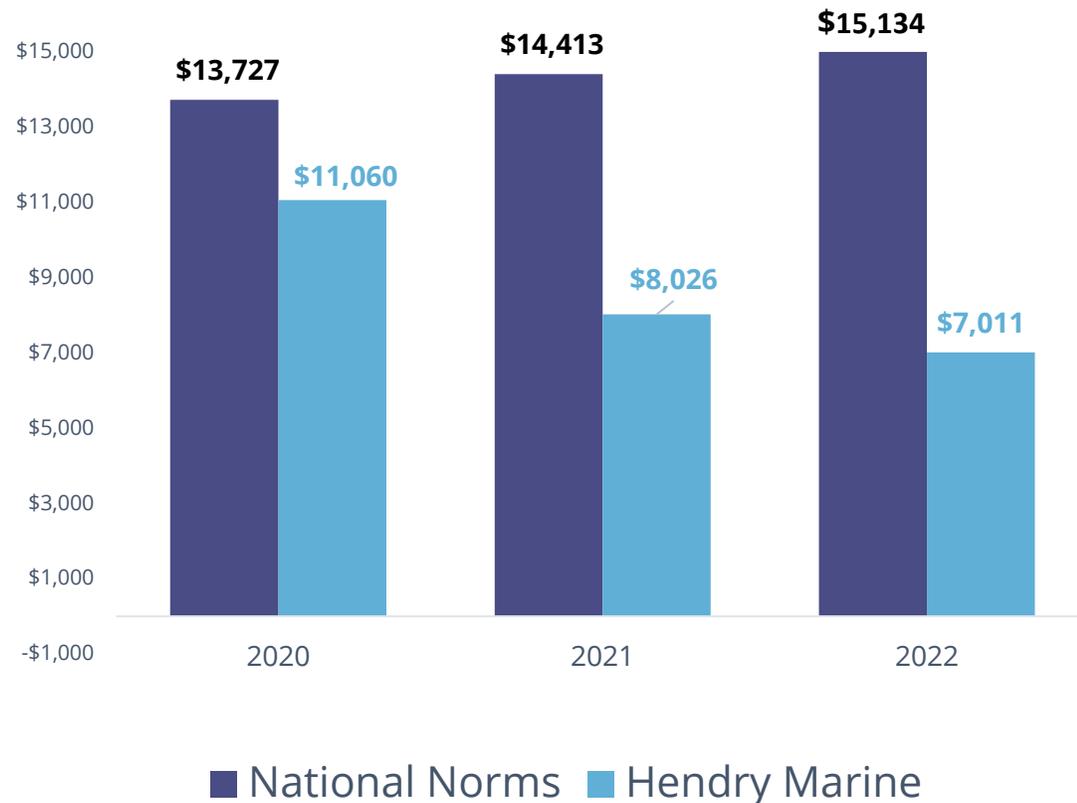


Updated Benefits In 2025

- New PBM relationship with VerusRX
- Updated base plan design including co-payments for primary, specialty care and prescriptions
- Introduction of Buoy –Whole person program created by Walk On Clinic



Financial Results



- \$21.4 million saved off billed charges since 2019.
- Insurance premium rates held steady from 2019 through 2023
- Another surplus of \$500,000+ at year end 2022!

Financial Results

A surplus? What's a surplus?

- The plan ran so well in 2021, we had a surplus of **\$1,000,000+**
- 2022: Another surplus of **\$500,000**
- 2023: Surplus of **\$144,000**



Transparent Pharmacy Benefit Manager

- 2020 Switched to transparent PBM
- 100% of rebates retained by Hendry Marine
- Implemented international pharmacy program
- Creative cost controls with specialty pharmacy
- Pharmacy is now 11% of total healthcare spend

	Traditional PBM 2019	Hendry Marine (YTD 2024)
Per Employee Per Month	\$190.00	\$87.85

Walk On Clinic

Thanks to reporting transparency, we knew that **only 15%** of members were using preventative wellness benefits.



- The Walk on Clinic was implemented for convenient access to care at work.
- No cost to employees and their covered dependents 16+.
- Implemented on site January 2022 - 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 they had it.
- Another employee had a lump in his neck and was diagnosed with Stage 4 cancer – had no idea they had it!

Walk On Clinic 2024

- Guardant colon cancer screenings
- Bloodwork
- On site delivery of medications at \$0 cost to plan participants and their covered dependents
- Coordination of care between **Walk On Clinic** PCP and specialists creating a whole patient care experience
- Integration of **Walk on Clinic** and ancillary benefits
- Hard and soft dollar savings YE 2023 = \$180,000
- Hard and soft dollar savings YTD 2024 = \$192,081
- 113 patients of **Walk On Clinic** as of July 2024



Welcome to **BUOY** - "Your Lifeline to Better Health"

Introducing Your New Chronic Condition Management Program brought to you by your friends at Walk On Clinic.

As of 10/1/2024 the Livongo program will be replaced by our new program called BUOY. Walk On Clinic will be your FREE local support to help you and your loved ones take control of your diabetic needs and hypertensive care through education, care management, and free supplies.

Scan QR code to learn more and enroll today!

Here are some facts about diabetes:



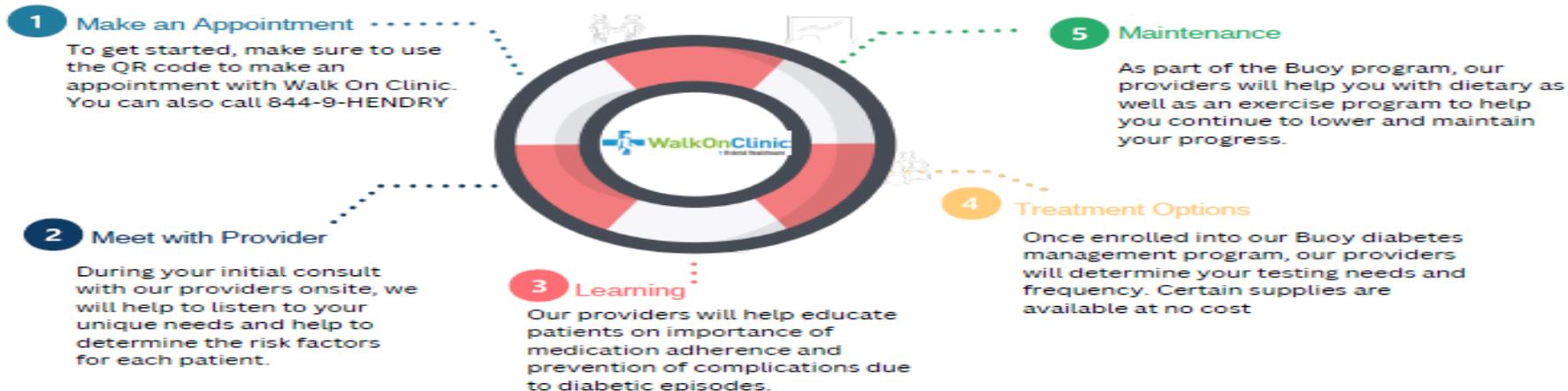
Diabetes can lead to serious complications, including:

- Heart Disease
- Stroke
- Blindness
- Kidney failure
- Lower-Limb Amputation

- About 90% to 95% of people with diabetes have type 2 diabetes.
- 1.2 million Americans are diagnosed with diabetes each year.
- 97.6 million Americans age 18 and older had prediabetes in 2021.
- The prevalence of diagnosed diabetes varies by race and ethnicity.



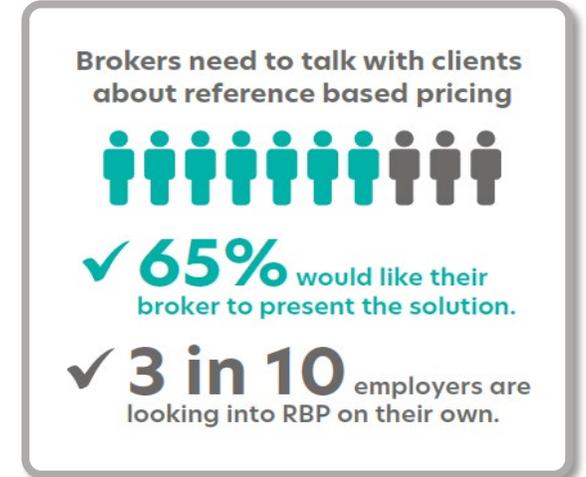
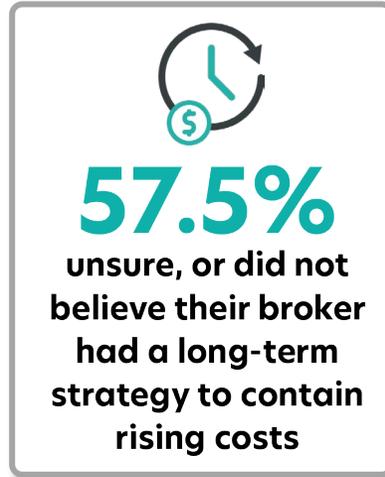
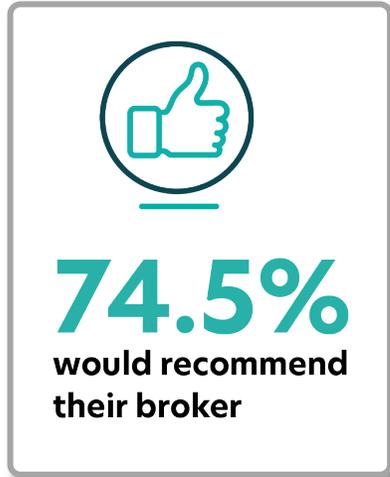
[Register Here](#)



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

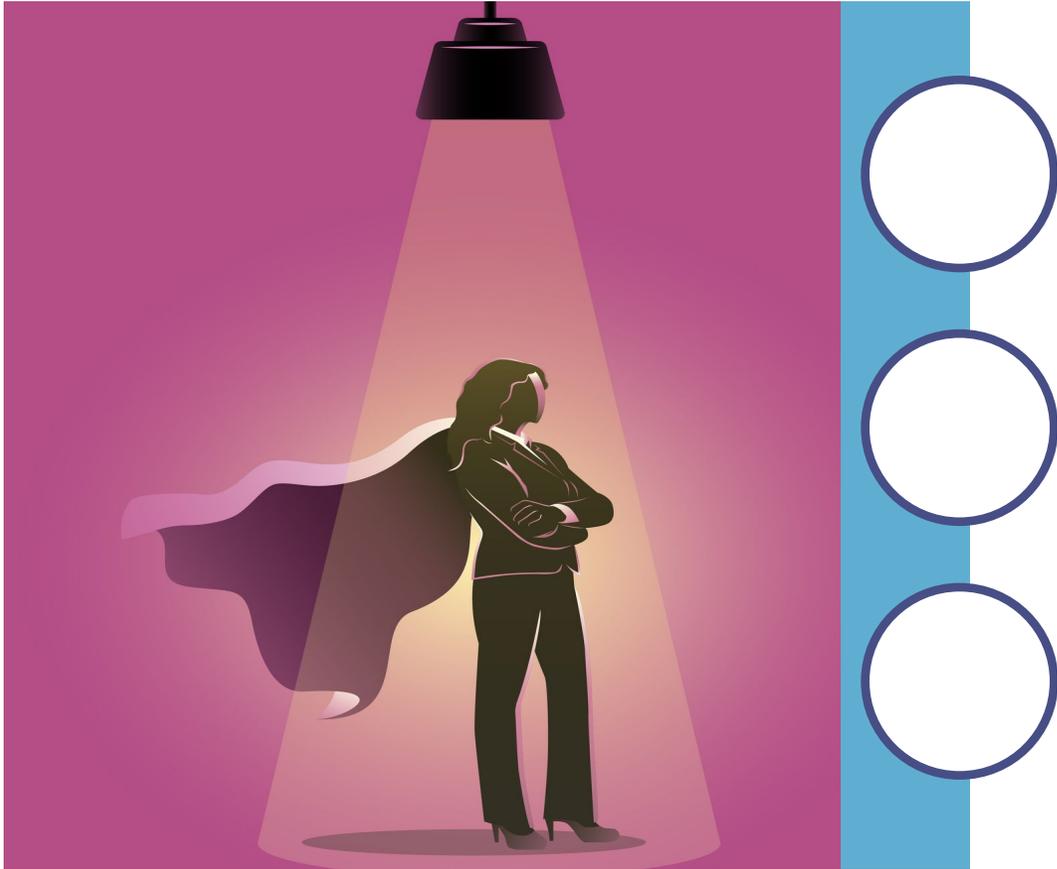
- It's like taking your traditional healthcare plan, deconstructing it and putting it together the way you want with the benefits your employees need and want
- You get to make the program work for you and your company, unlike traditional plans where you're forced to use an "off the shelf" product
- You Gain:
 - **Control** over plan design
 - **Control** over the plan cost
 - Reporting **transparency** – this is key to developing your annual plan strategy!

Assess Your Broker Relationship



If your broker isn't actively engaging with you or presenting all the choices, it's worth having a conversation or exploring other brokerage options.

Aha! Moments

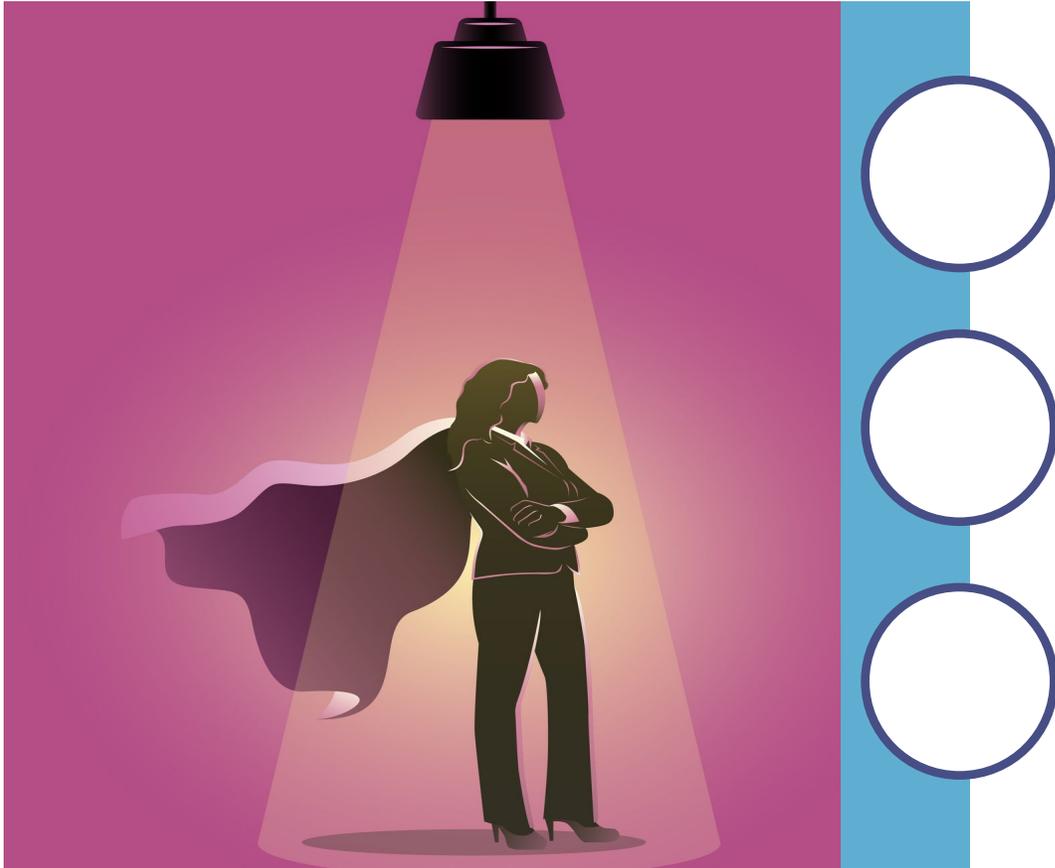


We don't know what we don't know

Compliance is mandatory so be a fiduciary for your company but more importantly your employees

Healthcare needs a strategic plan

Aha! Moments



Good data and transparency are critical elements for success

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

Our HR team has more support than we had before

Florida Alliance for Healthcare Value

“The Florida Alliance for Healthcare Value is an employer-led research and education organization that brings together benefits leaders and healthcare stakeholders to develop and implement innovative improvements in healthcare cost, quality, transparency and safety in Florida.”



<https://flhealthvalue.org/>



Thank you!

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