Employee Benefit Research Institute
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Lets Look Ahead
Our Current Marketplace
Imagine 10 years ago saying:

• You’ll make your baby’s pictures public to the world

• You’ll stay in a stranger’s apartment instead of a hotel

• You’ll trust a robot to manage your money

• You’ll never buy another music album

• You’ll get out of a taxi without paying the driver
## Demographic Analysis Dashboard
### Understanding Your Generational Workforce

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<thead>
<tr>
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</thead>
<tbody>
<tr>
<td><strong>Formative Experiences</strong></td>
<td>• WWII • Fixed gender roles • Nuclear families</td>
<td>• Cold War • Vietnam • Watergate • Woodstock</td>
<td>• End of cold war • Fall of Berlin Wall • First PC • Latch-key kids</td>
<td>• 9/11 terrorist attacks • Raised by “helicopter parents” • Reality TV</td>
<td>• Global warming • Mobile devices • Cloud computing</td>
</tr>
<tr>
<td><strong>Signature product</strong></td>
<td>Automobile</td>
<td>Television</td>
<td>Personal computer</td>
<td>Tablet/Smartphone</td>
<td>Google glass, 3D printing</td>
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<tr>
<td><strong>Aspiration</strong></td>
<td>Home ownership</td>
<td>Job security</td>
<td>Work-life balance</td>
<td>Freedom and flexibility</td>
<td>Security and stability</td>
</tr>
<tr>
<td><strong>Attitude towards career</strong></td>
<td>Jobs are for life; loyalty; respect for authority</td>
<td>Live to work; collaborative; driven-achievement oriented</td>
<td>Work to live; distrustful; independent; skill-oriented</td>
<td>Work/life blending; hard working; seek recognition and feedback; career and community oriented</td>
<td>TBD</td>
</tr>
<tr>
<td><strong>Communication media</strong></td>
<td>Formal letter</td>
<td>Telephone</td>
<td>Email and text message</td>
<td>Text or social media</td>
<td>Hand-held devices</td>
</tr>
<tr>
<td><strong>Benefit Preferences</strong></td>
<td>Not Surveyed</td>
<td>Health care; expanded health care; better 401k matches; better investment choices</td>
<td>Health care; better 401k matches; flexible work schedules; more vacation</td>
<td>Health care; flexible work schedules; reimbursements for education and tuition; more vacation; wellness</td>
<td>TBD</td>
</tr>
<tr>
<td><strong>Sample Company workforce in each generation</strong></td>
<td>3 0.4%</td>
<td>243 35.0%</td>
<td><strong>316 45.5%</strong></td>
<td>131 18.9%</td>
<td>1 0.1%</td>
</tr>
</tbody>
</table>

November 4, 2019

The health innovation issue: a new approach to suicide prevention, robotic caregivers, a plan to combat the high price of insulin, and more.
What would Medicare for all cost?

1.3 Trillion Dollars

The annual budget of the Centers for Medicare and Medicaid Services, accounting for almost one-third of all federal spending, of which spending on drugs is the fastest-growing portion, according to administrator

SEEMA VERMA

Overview of the Recent Price Transparency Regulations Released Nov. 15

<table>
<thead>
<tr>
<th>Relevant regulatory rule</th>
<th>HOSPITALS</th>
<th>HEALTH INSURERS AND GROUP PLANS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rule status</td>
<td>OPPS Price Transparency Final Rule (CMS-1717-F2)</td>
<td>Transparency in Coverage Proposed Rule (CMS-9915-P)</td>
</tr>
<tr>
<td>Enactment date</td>
<td>January 1, 2021 (official)</td>
<td>January 1, 2021 (target)</td>
</tr>
</tbody>
</table>
| Summary provisions       | All hospitals must publish:  
  - Comprehensive “standard charges” file covering all services offered  
    - Gross charges  
    - Discounted cash prices for self-pay  
    - Payer-specific negotiated charges  
    - De-identified min. & max. negotiated charges  
  - Consumer friendly price tool for searching negotiated, payer-specific rates for 300 services, 70 of which CMS has specified and 230 others the hospital may choose | Health insurers and group health plans must provide:  
  - Internet-based price transparency tool for consumers to find personalized out-of-pocket cost information for all covered services in advance  
  - Public website with negotiated rates for in-network providers and historical payments to out-of-network providers in a standardized format  
  Plans will be allowed to include consumer incentives for shopping into MLR |
| Exceptions allowed       | Federally owned/operated sites that don’t serve the public or negotiate rates (VA, DoD, Indian Health Service Facilities) | Plans grandfathered under ACA (i.e., in existence as of March 23, 2010; does not apply to “grandmothered” plans) |
| Penalty for non-compliance | $300/day (not automatic; requires a complaint filed with CMS, which may be followed by a warning notice from CMS, and finally a fine) | TBD – Not specified |

Source: Oliver Wyman analysis
The Front Door to Accessing Healthcare is Changing!
Market Disruption
Major Movement is the New Normal

UnitedHealth Group buys DaVita’s Physician Network for $4.9B

CVS purchases Aetna for $77B, deal closed 11/28/18

Amazon, Berkshire Hathaway, JPMorgan Chase form coalition for their own employees

Cigna announces purchase of Express Scripts for $70B, deal closed 12/20/18

Amazon acquires online pharmacy PillPack who is licensed in 49 states

Walmart and Humana in talks to expand current onsite clinic relationship into other healthcare offerings

12/3/17  12/6/17  1/30/18  3/8/18  6/28/18  ongoing
**Pharmacogenomics**
Pharmacology + Genomics

**GeneSight® Psychotropic Test**

- Genetics affects our response to drugs.
- Effective, safe Rx tailored to the patient’s individual genomic profile.
- Improves drug safety.
- Decrease rate of adverse effects (a leading cause of death/morbidity).
- Minimizes trial and error prescribing.
- Savings in pharmacy spending, healthcare utilization, disability claims, etc.

FDA Approves Cystic Fibrosis Drug Applicable For 90 Percent Of Patients
Novartis gets FDA approval for world’s most expensive drug

By Imelda Cotton - May 28, 2019

The FDA has approved Novartis' Zolgensma drug, which carries a hefty US$2.125m pricetag.

A rare genetic disorder which limits an infant’s lifespan to just 24 months could be cured with a groundbreaking new gene therapy approved by the US Food and Drug Administration but at over US$2 million per dose, it could well be out of the financial reach of families who need it the most.
Zolgensma, which costs $2.1 million per patient…

It brought in $160 million in the three months to Sept. 30, its first full quarter of sales.

That was well above analyst expectations of around $98 million.

Some Large Employers are revisiting the need for stop loss…
Swift Gene-Editing Method May Revolutionize Treatments for Cancer and Infectious Diseases

By GINA KOLATA  JULY 11, 2018

Scientists report that they have discovered a way to tweak genes in the body’s immune cells by using electrical fields.
Employers Held Health Benefit Cost Growth To 3.6% In 2018 – But That’s Still Above CPI

Average Per-employee Cost Rises Above $13,000 in 2019

Last month - NEWS

The Kaiser Family Foundation published its annual survey findings on employer-sponsored health plans, which was quickly covered by The Wall Street Journal, The New York Times and Bloomberg for good reason:

The annual cost of a family plan has now surpassed $20,000. While this amount takes into account both employer and employee costs, Kaiser found that the employee cost share is increasing at a faster rate, calling the affordability of health insurance into question.
Top Three Most Important Benefits When Considering a Job Decision

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Health insurance</td>
<td>73%</td>
</tr>
<tr>
<td>Retirement savings plan</td>
<td>57%</td>
</tr>
<tr>
<td>Dental or vision insurance</td>
<td>26%</td>
</tr>
<tr>
<td>Traditional pension or defined benefit plan</td>
<td>22%</td>
</tr>
<tr>
<td>Life insurance</td>
<td>14%</td>
</tr>
<tr>
<td>Retiree health insurance</td>
<td>10%</td>
</tr>
<tr>
<td>Disability insurance</td>
<td>9%</td>
</tr>
<tr>
<td>Long-term care insurance</td>
<td>7%</td>
</tr>
<tr>
<td>Supplemental health, critical illness, cancer or accident insurance</td>
<td>6%</td>
</tr>
<tr>
<td>Other benefits</td>
<td>4%</td>
</tr>
<tr>
<td>None of these</td>
<td>11%</td>
</tr>
</tbody>
</table>

Health benefits consistently top the list of benefits employees feel are most important in decision to stay in a job or pick a new one. Would ICHRAs be enough?

72% of employers increased benefit offerings in the last 12 months to retain employees.
Importance of employers providing programs that address well-being dimensions

Employees who want physical health support
• No significant difference between groups.
• Retail employees are least interested.

Employees who want social health support
• Generally have higher incomes.
• College education.
• Government sector employees are least interested.
• 55-64 are least interested.

Employees who want financial health support
• Work from home.
• Health care employees are most interested.

Employees who want community health support
• College education.
• 25-34 are most interested.

Employees who want mental health support
• Generally <55 years old.
• Females.