

# Employee Benefit Research Institute

## December 2019 Policy Forum #86

Marybeth Gray

Sr VP Health & Welfare Consulting  
Trion a Marsh & McLennan Agency

MBGray@Trion.com  
MBGrayHealthcare.com  
610-207-8985



[www.MBGrayHealthcare.com](http://www.MBGrayHealthcare.com)

December 12, 2019

# Lets Look Ahead

## Our Current Marketplace



## *Imagine 10 years ago saying:*

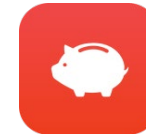
- You'll make your baby's pictures public to the world



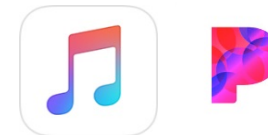
- You'll stay in a stranger's apartment instead of a hotel



- 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

	Traditionalists (1925-1945)	Baby Boomers (1946-1963)	Generation X (1964-1980)	Millennials (1981-2000)	Generation Z (Born after 2000)
Characteristics					
Formative Experiences	<ul style="list-style-type: none"> <li>• WWII</li> <li>• Fixed gender roles</li> <li>• Nuclear families</li> </ul>	<ul style="list-style-type: none"> <li>• Cold War</li> <li>• Vietnam</li> <li>• Watergate</li> <li>• Woodstock</li> </ul>	<ul style="list-style-type: none"> <li>• End of cold war</li> <li>• Fall of Berlin Wall</li> <li>• First PC</li> <li>• Latch-key kids</li> </ul>	<ul style="list-style-type: none"> <li>• 9/11 terrorist attacks</li> <li>• Raised by “helicopter parents”</li> <li>• Reality TV</li> </ul>	<ul style="list-style-type: none"> <li>• Global warming</li> <li>• Mobile devices</li> <li>• Cloud computing</li> </ul>
Signature product	Automobile	Television	Personal computer	Tablet/Smartphone	Google glass, 3D printing
Aspiration	Home ownership	Job security	Work-life balance	Freedom and flexibility	Security and stability
Attitude towards career	Jobs are for life; loyalty; respect for authority	Live to work; collaborative; driven-achievement oriented	Work to live; distrustful; independent; skill-oriented	Work/life blending; hard working; seek recognition and feedback; career and community oriented	TBD
Communication media	Formal letter	Telephone	Email and text message	Text or social media	Hand-held devices
Benefit Preferences	Not Surveyed	Health care; expanded health care; better 401k matches; better investment choices	Health care; better 401k matches; flexible work schedules; more vacation	Health care; flexible work schedules; reimbursements for education and tuition; more vacation; wellness	TBD
Sample Company workforce in each generation	3 0.4%	243 35.0%	316 45.5%	131 18.9%	1 0.1%

Source: Incentive Research Foundation; Generations in the Workforce & Marketplace: Preferences in Rewards, Recognition and Incentives. Multi-Generational Workforce/Employee Benefits/Barclays. Minnesota Life: Benefit Needs by Generation.



**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.

# Medicare for all?



**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**

**\$20.5  
Trillion**





# Did CMS Just Declare 2021 “The Year of the Consumer”?

## How New Price Transparency Rules May Impact Payers and Providers



### Overview of the Recent Price Transparency Regulations Released Nov. 15

	 <b>HOSPITALS</b>	 <b>HEALTH INSURERS AND GROUP PLANS</b>
Relevant regulatory rule	OPPS Price Transparency Final Rule (CMS-1717-F2)	Transparency in Coverage Proposed Rule (CMS-9915-P)
Rule status	<b>Final</b>	<b>Proposed</b> (currently in a 60-day comment period)
Enactment date	January 1, 2021 (official)	January 1, 2021 (target)
Summary provisions	<p>All hospitals must publish:</p> <ul style="list-style-type: none"> <li>• <b>Comprehensive “standard charges” file</b> covering all services offered <ul style="list-style-type: none"> <li>– Gross charges</li> <li>– Discounted cash prices for self-pay</li> <li>– Payer-specific negotiated charges</li> <li>– De-identified min. &amp; max. negotiated charges</li> </ul> </li> <li>• <b>Consumer friendly price tool</b> for searching negotiated, payer-specific rates for 300 services, 70 of which CMS has specified and 230 others the hospital may choose</li> </ul>	<p>Health insurers and group health plans must provide:</p> <ul style="list-style-type: none"> <li>• <b>Internet-based price transparency tool</b> for consumers to find personalized out-of-pocket cost information for all covered services in advance</li> <li>• <b>Public website with negotiated rates</b> for in-network providers and historical payments to out-of-network providers in a standardized format</li> </ul> <p>Plans will be allowed to include <b>consumer incentives for shopping into MLR</b></p>
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

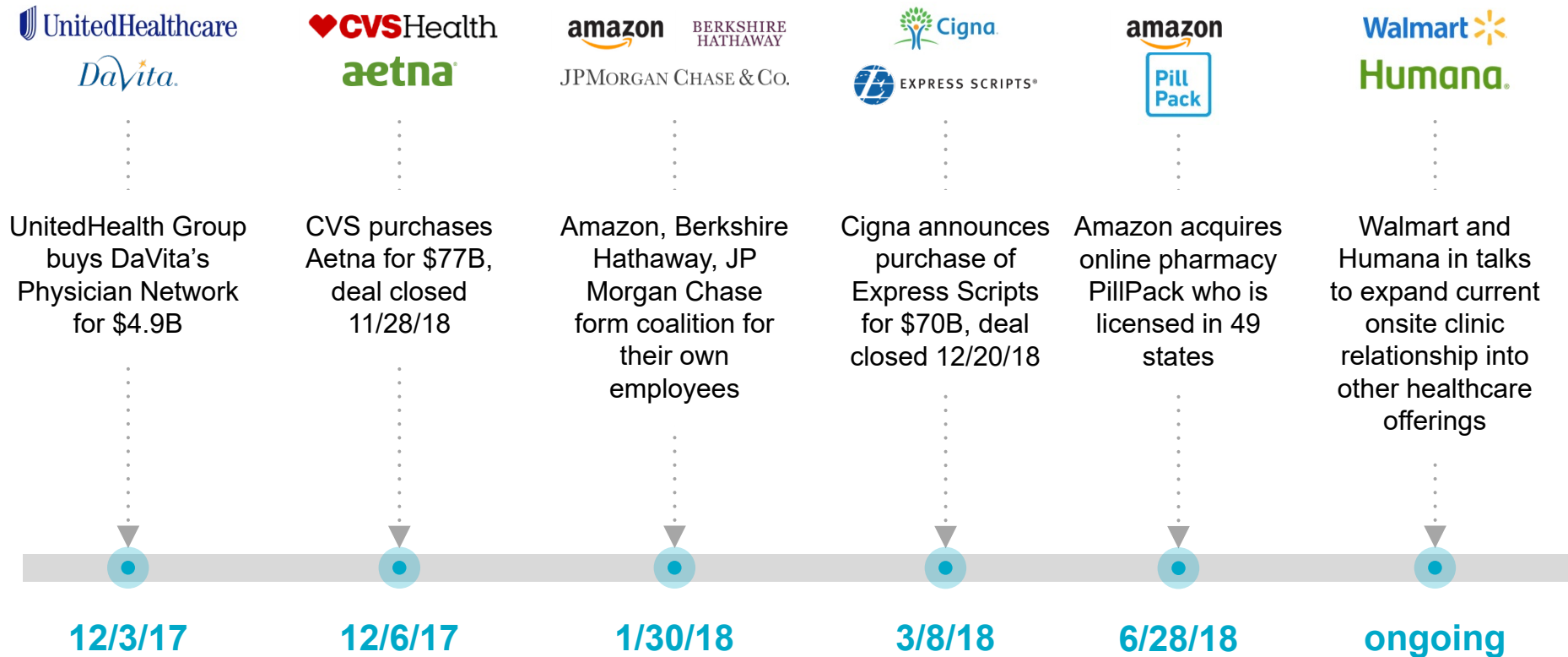
# The Front Door to Accessing Healthcare is Changing!

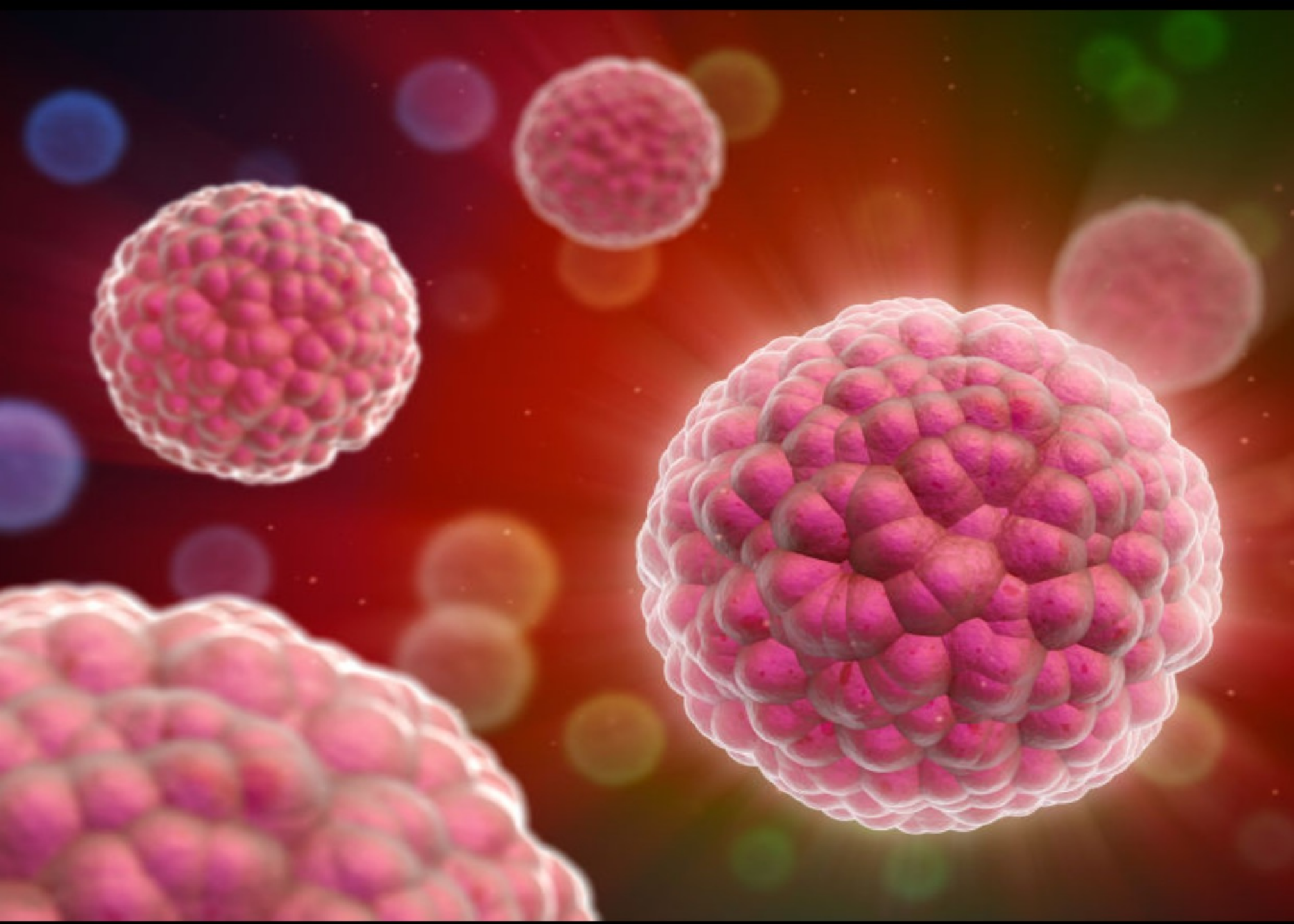




# Market Disruption

## Major Movement is the New Normal





## 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.

*Source: National Business Group on Health Using Genetics to Guide Treatment, September 2018.*



EDITOR'S PICK | 2,472 views | Oct 22, 2019, 8:15 am

# 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

**Muscular Atrophy  
Treatment**

**Most expensive  
RX in the US today  
at \$2.1 Million**



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

**25**  
SHARES



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.

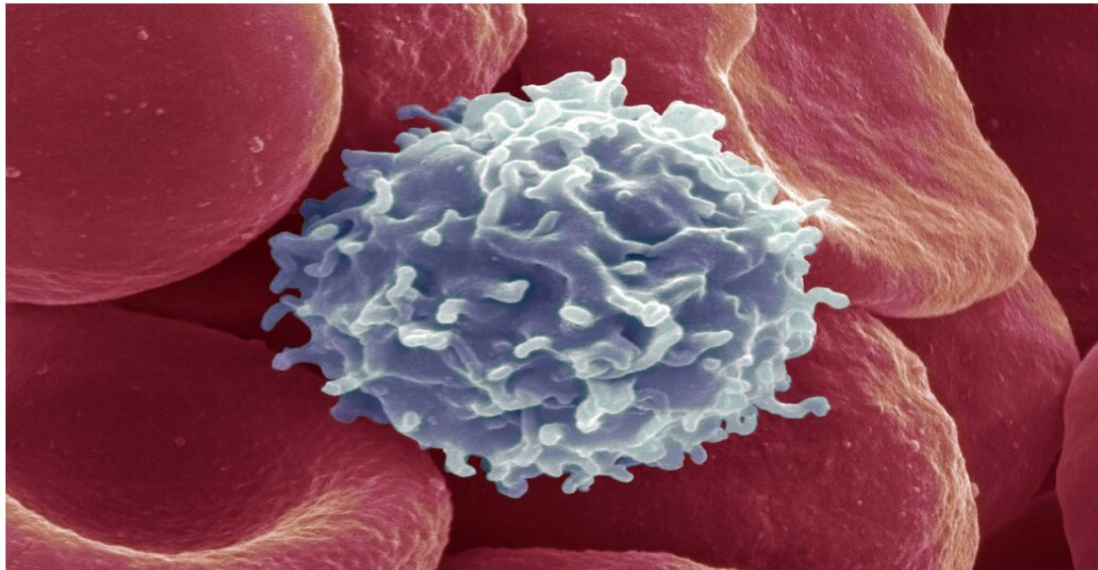
That was well above analyst expectations of around \$98 million.

**Some Large Employers are revisiting the need for stop loss...**

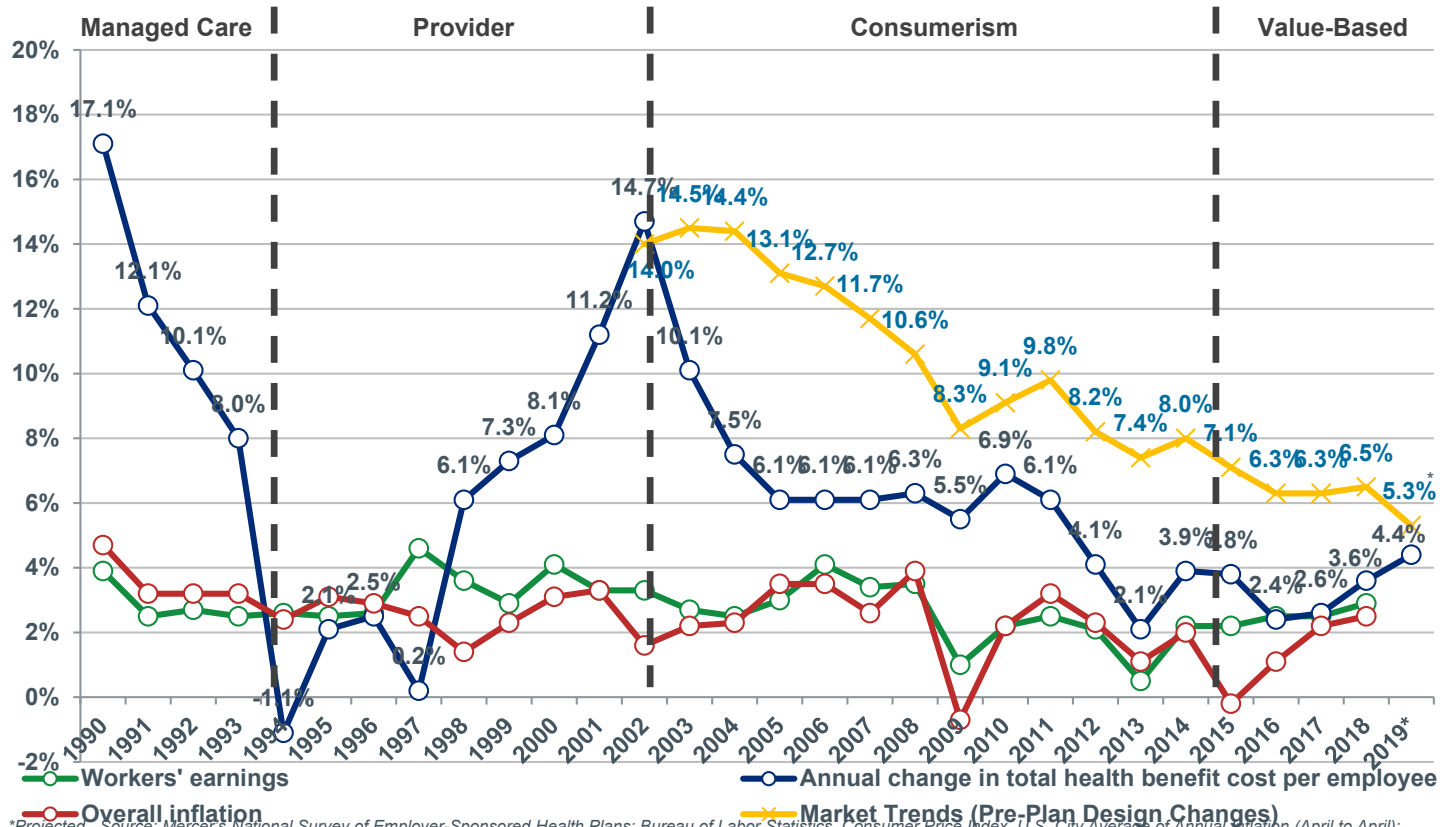
# ***Swift Gene-Editing Method May Revolutionize Treatments for Cancer and Infectious Diseases***

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



\*Projected. Source: Mercer's National Survey of Employer-Sponsored Health Plans; Bureau of Labor Statistics, Consumer Price Index, U.S. City Average of Annual Inflation (April to April); Bureau of Labor Statistics, Seasonally Adjusted Weekly Earnings from the Current Employment Statistics Survey (April to April).



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

**Sample Client's Projected 2019 Per Employee Cost is \$12,985**



Source: Mercer's National Survey of Employer-Sponsored Health Plans 2019. Total health benefit cost includes medical, dental, Rx, vision and hearing benefits.

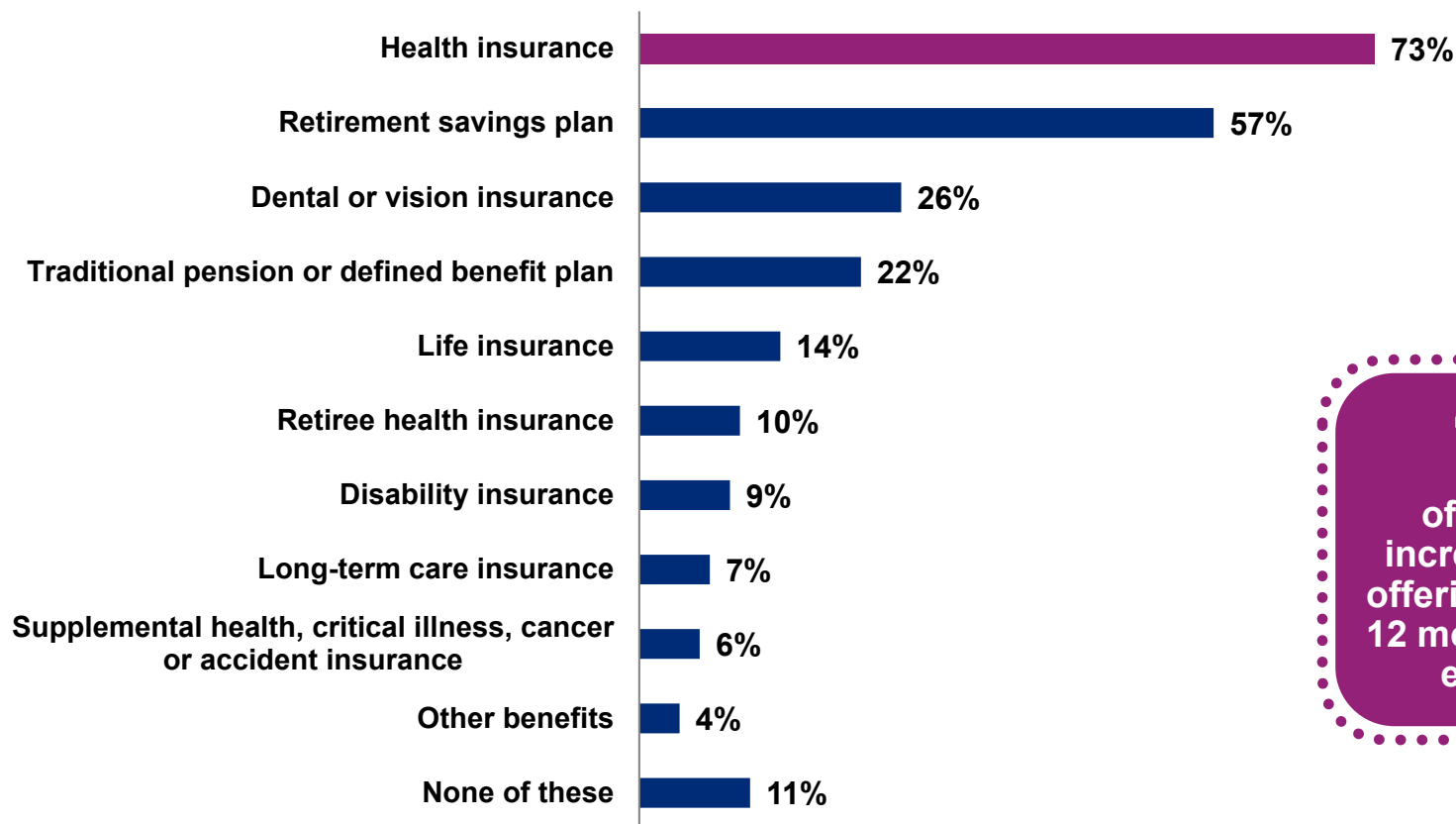
## Last month - NEWS

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



**72%**  
of employers  
increased benefit  
offerings in the last  
12 months to retain  
employees

*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?*

Source: Employee Benefits Research Institute and Greenwald & Associates, 2018 Health and Workplace Benefits Survey. Source: SHRM 2018 Employee Benefits Survey

# 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.

Source: *Workplace Well-Being and the Employee Experience: Findings from the NBGH/Optum Well-being Survey, 2019.*