Who We Are

- Cincinnati’s largest independent, full-service Third Party Administrator
- Founded in 1991
- One of Cincinnati’s Top Workplaces
- National Thought-Leader in Reference-Based-Pricing Plans
CDB Services

- Administration of self-funded health plans
  - Medical, Dental, Vision

- Administration of Consumer Driven Services
  - FSA/HSA/HRA

- Compliance Service Solutions
  - COBRA, FMLA, STD, ACA
ACA Compliance Services

- Dedicated Compliance Attorney on staff
- CDB submits required forms and documents
  - Medicare Notices - Part D & Secondary Compliance
  - HPID registration
  - Summary of Benefits & Coverage
  - Reinsurance Fee Filing & Payment from Client Account
  - PCORI Head Count Reporting
- Summary Plan Descriptions and Amendment Preparation
- Annual Required Employee Notices to Employer
- State Surcharge Reporting
- Annual SSAE16 Audit (formerly SAS70)
ACA - An Overview

- Enacted in 2010
- Removed lifetime limits on essential health benefits
- Extended coverage of dependents up to age 26
- Eliminated pre-existing condition coverage clauses
- Banned retroactive rescission of health coverage
- Required 100% coverage of preventative care
- Required reporting of coverage costs on W-2s
- Disallowed OTC reimbursement through HAS or FSAs
- Required employees to enroll in long term care
- Required Summary of Benefits and Coverage documentation
- Assessed payment of PCORI fees
- Limited FSA’s to $2,500
- Mandated individuals to purchase health insurance
- Mandated employers to offer minimum essential and affordable coverage
- Increased wellness program incentives
- Created a “Cadillac” tax
- ... and more !!!
ACA - An Evolving Landscape

- HHS, DOL and IRS continue to develop regulations and interpret ACA ... and
- HR pros struggle to keep current

- Exact definition of “Essential Health Benefits” (EHB)?
- Exact definition of Preventative Care?
- How and when to incorporate these into medical |
ACA - What’s on the Horizon?

“Applicable Large Employer” (ALE) may expect penalties if ...

- Affordable AND Minimum Value Health Coverage is not offered to FTEs
- Any FTEs receive government subsidies through an Exchange

Pay or Play penalties based on:

- Number of FTEs
- Offer of coverage
- Reporting of the offer of coverage
ACA - Compliance & Penalties

- Determine your number of FTEs?
  - Select your measurement period
  - Select your administrative period
  - Select your stability period

- Potential Penalties for:
  - Plan is not affordable ... or
  - Plan does not provide minimum value
    - 9.66% of the employee’s household income (2016)
    - Plan pays less than 60% or Enrollee pays more than 40% of plan costs
Innovative Cost Containment Solutions for Employee Benefits

ACA - Compliance & Penalties

- Required Reporting of Coverage
  - ALEs must report under section 6055 & 6056
  - Employees must receive written statements
  - Must be filed with IRS

- HHS announcements (May 2016):
  - Hired third party contractor to conduct employee verification studies
  - Released Sample Employer Notice when employee receives premium subsidy
# Overview of 6055 & 6056 Reporting

<table>
<thead>
<tr>
<th>Employment Status</th>
<th>INDIVIDUAL MANDATE 6055 - Minimum Essential Coverage (MEC) Reporting</th>
<th>EMPLOYER SHARED RESPONSIBILITY 6056 - Applicable Large Employer (ALE) Reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 50 FTE employees, self-insured medical plan</td>
<td>Employer provides MEC reporting to enrolled individuals, administrator may assist</td>
<td>No employer reporting required</td>
</tr>
<tr>
<td>50 + FTE employees (ALE), self-insured medical plan</td>
<td>Employer provides MEC reporting to enrolled individuals, administrator may assist</td>
<td>Employer provides reporting on the offer of coverage and whether it is minimum value and affordable to FT employees</td>
</tr>
</tbody>
</table>
ACA - Recommendations for Employers

- Continued review of your plan’s out-of-pocket maximum
  - 2016 limits are: $6,850 for self coverage and $13,700 for other than self coverage

- Continued review of your plan’s FSA coverage
  - 2016 maximum is $2,550

- Monitor Health Plan ID (HPID) compliance

- Monitor latest EEOC guidelines on financial incentives for wellness programs
Custom Wellness
by
Custom Design Benefits
improve health and manage risk

A Customized Wellness Strategy for Self-Funded Employers
The Real Problems

Obesity in America: It’s Getting Worse

Jennifer B. Marks, MD, FACP, FACE, CDE, Editor

37.7% of adults are obese
17.5% of kids are obese

Smoking is the leading cause of preventable death

• More than 16 million Americans are living with a disease caused by smoking.
• For every person who dies because of smoking, at least 30 people live with a serious smoking-related illness.
YOUR Problem

Over the past decade, the annual cost of family coverage has risen 61% and the annual cost for single coverage is up 120%, according to Kaiser. In each of the past 10 years, insurance increases have outpaced inflation -- sometimes by as much as 11 percentage points. **CNN Money**

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**FOR EVERY $1 INVESTED IN WELLNESS, EMPLOYERS HAVE SEEN A $3.27 ROI**

*2010 Baicker*
## Gaps in Care ... Compliance is a Must

### Members Have Had the Following Checked in the Last Year

<table>
<thead>
<tr>
<th>Preventative Tests</th>
<th>Never Screened</th>
<th>Screened more than 24 months ago</th>
<th>Screened within the last 13-24 months</th>
<th>Screened within the last 12 months</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physical Exam</td>
<td>2,701</td>
<td>4,780</td>
<td>8,719</td>
<td>9,542</td>
</tr>
<tr>
<td>Pap Smear</td>
<td>876</td>
<td>2,713</td>
<td>7,809</td>
<td>6,849</td>
</tr>
<tr>
<td>Mammogram (women over 40)</td>
<td>1,079</td>
<td>1,225</td>
<td>4,200</td>
<td>4,168</td>
</tr>
<tr>
<td>Prostate Exam (men over 40)</td>
<td>1,585</td>
<td>521</td>
<td>1,050</td>
<td>1,097</td>
</tr>
</tbody>
</table>
Rx Gaps or M T M

Study: Many At High Risk For Cardiovascular Events Are Not Taking Statins

Using data from the 2010 Medical Expenditure Panel Survey, U.S. researchers estimated that about 9 million diabetes patients over the age of 40 and 5.6 million coronary artery disease patients were not receiving statins despite evidence that these drugs may benefit them.


—DailyRX.com (5/13/2014)
THE HEALTHCARE IT TOP 10

“Patient Engagement—Activating the Acute, the Chronic and the Healthy”

—THE ADVISORY BOARD COMPANY
Custom Wellness Components

- Biometric Screening/HRA
- Personal Health Profiles
- Predictive Modeling
- Online Health Portal
- Health Coaching
- Incentivizing Participation/Rewards
- Integrate with Existing Programs

> Assessment > > > > > > > > > > > > > Action >
Biometric Screenings & Health Risk Assessments

Onsite preventive health screenings
- Blood pressure
- Cholesterol
- Glucose
- Body composition
- Others, as required
- Aggregate reporting provided

Health Risk Assessment
- Collect key data re: lifestyle behaviours
- Data is aggregated
Claim Data Integration and Analytics

Personal Health Profiles
- Biometric lab data electronically integrated with HRA data
- Blended lifestyle and biometric data used for targeting interventions

Predictive Claims Analytics
- Claims data, biometric screening & HRA results analysed to identify high risk individuals
- Predict future health care costs
- Key to successful coaching interventions
Employee Engagement and Participation

Coaching
- Accurate identification
- Initial engagement & intervention
- Individualized action plans (MAP)
- Effective health interventions delivered
  - Online & Telephonic

Worksite & Online Wellness Programs/
Reward Strategies
- Programs to address lifestyle & chronic conditions
- Challenges

Personal Online Portal
- www.mypathwaytohealth.com
Three Keys to Lasting Change

- Positive Coaching
- Accountability
- Aligned Incentives
Conclusions

- **Stand Alone Wellness Programs** don’t stand up to financial scrutiny short term

- **Traditional Wellness Programs** are missing the link to clinical data

- **Gaps in Care** provide short term ROI and mitigate preventable catastrophic claims

- **Portal Fatigue** — patients need a one stop shop for all healthcare data

*Health systems MUST be integrated into the process...*
Our Strategic Partners
Innovative Cost Containment Solutions for Employee Benefits

Custom Wellness
by
Custom Design Benefits
improve health and manage risk

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