

June 2020

Bolton's "Top 10" to help manage Health Plan Costs

The COVID-19 pandemic is reshaping the health care delivery system. Employers face increased financial pressure and are challenged to formulate viable return to work strategies, while making changes to benefit programs that support risk mitigation initiatives, control costs, and deliver better health care outcomes. Of course, the more that employers can do to reduce expenses, the more funds they will have to keep the organization running and finance other key business initiatives.

We have selected 10 solutions and strategies to help support your employees and their dependents both now, as well as after the pandemic, while managing health plan spend:

- 1. Health Care Navigation and Advocacy** – Health care navigation provides employees and their families with the experts and tools they need for the challenges they encounter in their health care journey. These range from understanding their benefits to selecting a doctor; from seeking clinical support to connecting with community resources. Health Advocates help patients and their families get to the right provider at the right time. Better coordinated care results in a better health care experience for individuals with measurably lower costs to employee and employer alike.
- 2. Digital Musculoskeletal (MSK) Solutions** – 1 in 6 health care dollars are spent on MSK pain and roughly 50% of that spend is on ineffective surgeries and medications. Chronic MSK pain and mental health are closely related and the COVID-19 pandemic has exacerbated this problem. Employees often have limited access to providers and have increased stress levels due to concerns about health, safety, jobs and family pressures. Digital solutions, using an evidence-based approach, through exercise therapy, coaching and education result in reduced MSK health care costs. Studies also show a decrease in depression, anxiety and absenteeism.
- 3. Dependent Eligibility Verification Audit** – A Dependent Eligibility Verification Audit can reduce costs without compromising current benefits. Bolton's dependent verification services validate the employee-dependent relationship to ensure only eligible dependents are enrolled in health care plans. Research shows that between 2-9% of dependents covered under employer sponsored health plans are NOT eligible. With an average annual dependent cost of \$4,000 per year, savings add up quickly when ineligible dependents are removed from your plan.
- 4. Telehealth** – Encourage more Telehealth visits by eliminating or reducing copays for telehealth visits. Telehealth is a more convenient way for consumers to access and increase self-care while reducing office visits, urgent care visits and emergency room visits. Telehealth provides employees short-term savings from the reduced cost of care, such as a reduction in emergency room visits, which can save \$300 to \$1,500 per occurrence. Employers can also find long-term savings from telehealth support for preventative care, treatment for chronic conditions, and mental health services.

Benefit Solutions

5. **Manage Pharmacy Costs** – Implement strategies to decrease drug expenses, including more closely evaluating expensive specialty drugs, such as biologics that are injected or infused. Modify plans to encourage the use of biosimilars at a lower cost, providing clinically effective options, and steering care away from hospitals and toward a doctor's office (or, if practical, self-administered at home). Consider implementing a higher copay for specialty drugs and moving to a more restrictive formulary which will help reduce Rx spend while ensuring employees still have access to appropriate medications.
6. **Value Based Narrow Networks** – Drive savings by encouraging employees to use cost efficient providers with quality outcomes in a narrow provider network. Employees using providers outside the network will have higher cost share or out-of-network benefits can be eliminated. Narrow networks go a step beyond HMOs and tiered networks. They restrict networks only to providers and hospitals that agree to meet specific quality standards and generally accept lower reimbursements. The goal is to offer higher value care at a lower cost.
7. **Genomic Testing** – Offer employees voluntary genetic testing to identify overall health risks and connect employees to resources to monitor, support and improve overall health. Genetic testing programs make it easy for employees to have a better understanding of their health and create an action plan with their doctor to stay healthy. Employers benefit from improved employee health outcomes and reduced health care costs
8. **High Deductible/Health Savings Accounts (HSA) plans** – High Deductible Health plans have lower premiums and can be attractive to employees when coupled with a Health Savings Account (HSA). These plans cover preventive care at 100% and appeal to employees looking for a lower cost health plan option. An HSA makes it easy for an employee to pay current health care costs and save for future health care needs in retirement.
9. **On-site Clinics** – Employers are increasingly turning to onsite and near-site health care clinics to control rising health care costs. On-site or near-site clinics provide easy access to medical services and improve employee health, which in turn leads to increased productivity. On-site clinics tend to return the most value among employees who experience high emergency room use for non-emergency conditions or have low utilization rates of existing primary care resources.
10. **Employee Cost Share** – Rather than simply reducing employer premium contributions, modifying employee cost-share formulas can save organizations money and can more fairly distribute costs among workers. Consider surcharges for working spouses and tobacco use, salary or service-based employee contributions, four-tier rates or defined contribution health plan funding.

We have decades of experience helping our clients when faced with challenging economic circumstances, and we look forward to discussing these, and other, benefit planning strategies with you. Please contact your Bolton Health Consultant for more information.