

EMPLOYERS and THEIR STRATEGIES EMBRACE MAJOR MARKET CHANGE



*Southern Employee Benefits Conference
GENERAL SESSION (“Ask the Experts”)*

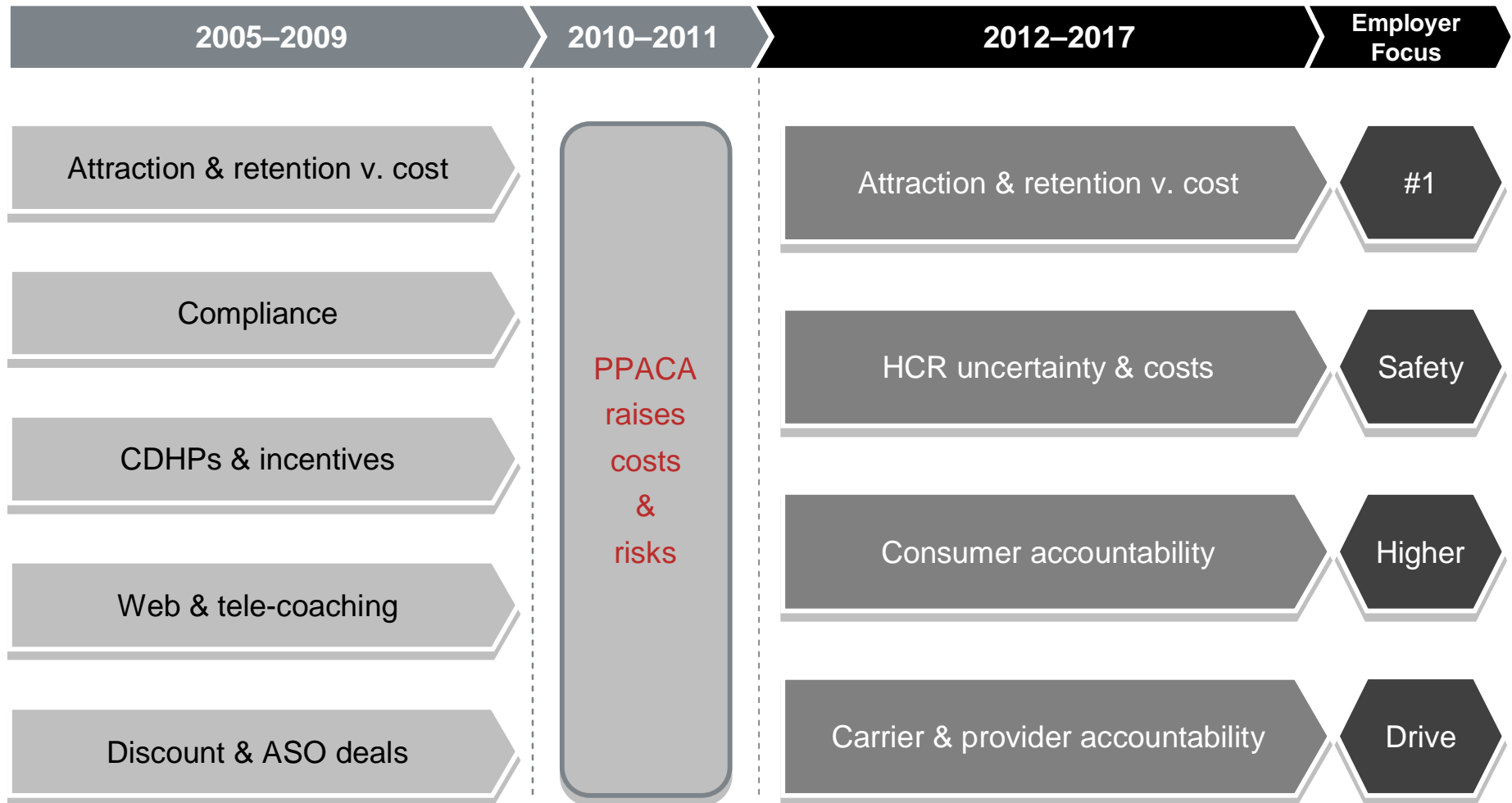


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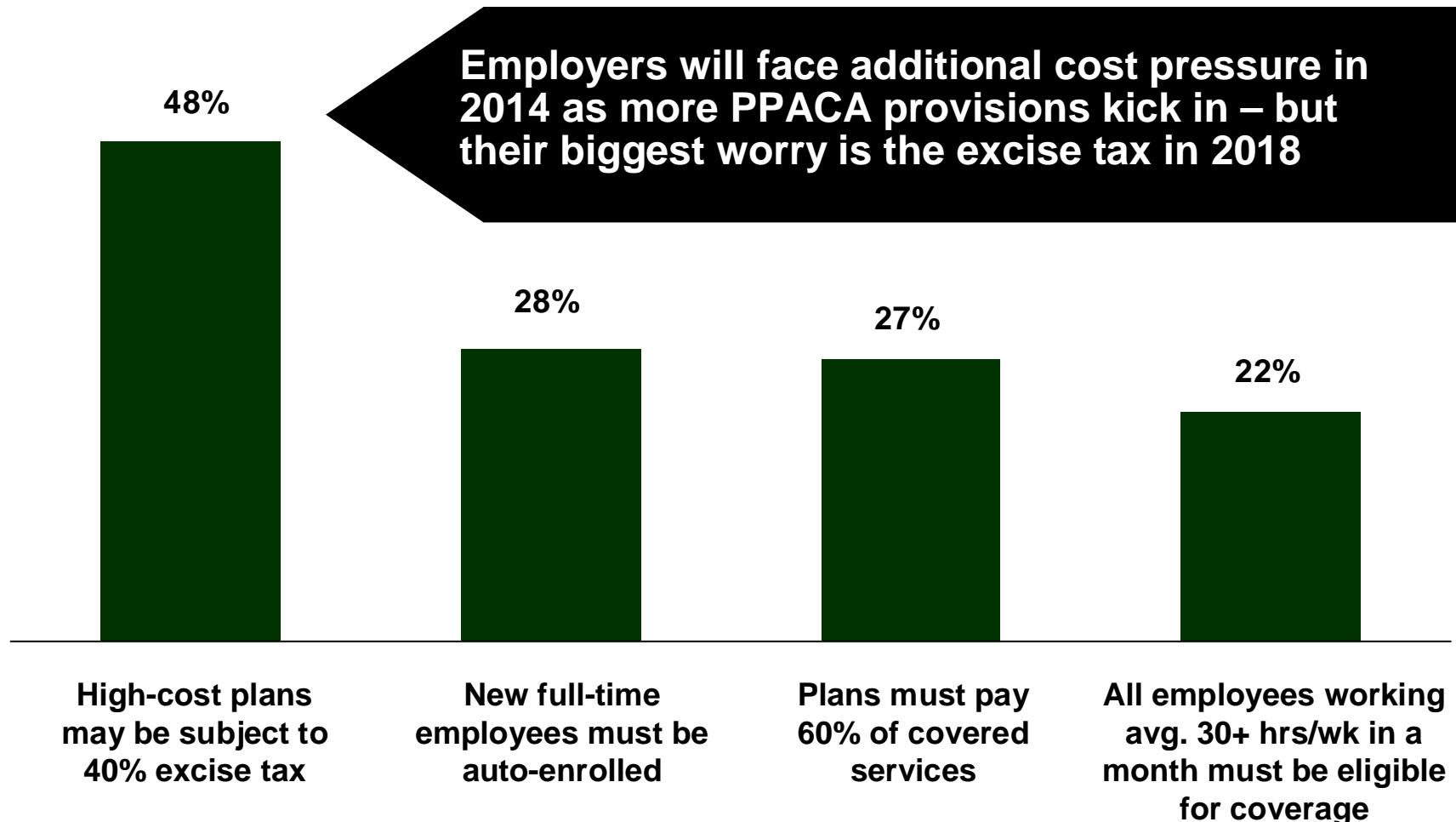
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Employers Face New Costs and Risks

The perfect “storm” or the perfect opportunity?



Employers that Consider these PPACA Provisions to be a “Significant Concern” for their Organizations



Data based on employers with 50+ employees.

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Employer Implications

Key Health Plan Considerations

Strategic issues

- Begin/revisit 2014 strategy
- Analysis of potential opt-ins
- Avoid the penalty and public exchanges vs. enable access to public programs?



Cost management is even more important

- Incentives to drive healthy behavior
- Stronger clinical management
- Provider/delivery system changes
- Defined contribution approaches



Employer Implications

Key Administration Considerations

Remaining compliant & avoiding penalties

- Governance and compliance
- Continue implementing required changes



Administering eligibility complexities

- Resources and expertise
- Systems and technology



Navigating the exchanges

- Employee tools
- Administrative procedures



Employer Implications

Key Communications Considerations

Business leaders

- Future implications of health care reform for the business
- Why wellness/health management matters
- Their role in supporting company's direction



Employees and families

- Commitment to keep employees informed
- Program changes
- Education about the Exchanges and how they play into your plan choices
- Why wellness/health management matters



Key Issues for Employer Plan Design

Awaiting Guidance on Important Issues

Open Issues

- Who is a full-time employee?
 - 30 hour/week floor raises eligibility and penalty issues
- How to determine affordability and minimum value?
- How to apply waiting periods for plan eligibility?
- How and when will the automatic enrollment mandate work?

Red Flags

- Employers with benefit eligibility over 30 hours per week
- Hourly, part-time, seasonal, temporary or fluctuating workforce
- Be ready to react quickly once guidance is issued
- Dependent affordability

Bottom Line

Employers still have virtually no regulatory certainty around how to determine their full-time employee population

A Few Final Thoughts

- Health Reform has been and will likely continue to be an influencer, accelerating employer program changes
- Employers are focused on controlling costs, improving health, and getting workforce value from their benefits spend
- Tactics include:
 - Documented multi-year health strategy
 - Health management and support programs
 - Consumerism interventions, including CDHPs and incentives
 - Data-targeted interventions for chronic conditions or compliance issues (evidence or value-based programs)
 - Cost and quality transparency, awareness
 - Improving basic “blocking & tackling” – discounts, networks, eligibility, customer service, contribution structure, benchmarking
 - Fitting health into total rewards, and
 - Total Health Management, tying efforts together, complete picture