

the FRONTPAGE

———— Clarity for an Evolving Industry ————

January 2019 Edition

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NOTES

from the CEO

Greetings!

It's a new year and a new beginning for EBMS. By now you've heard an important piece of news: the recent change in executive leadership, including my new role as CEO. I wanted to take a moment to comment on this exciting development.

My first message to all of our customers, partners, and brokers is that it's business as usual here at EBMS! We've been planning the new integration of leadership carefully so there won't be any disruption to the high level of service you've come to count on with us. These changes did not happen overnight. We spent much of 2018 developing a growth strategy and setting the stage for our next move – by recruiting top leaders who have a strong track record of managing growth in national organizations, including me, to help guide EBMS in becoming an industry leader.

This vision, of thoughtfully managed strategic growth, will continue over the next several years. I want to see EBMS become a shining light within this industry, of how to do health benefits right, across all stakeholders. To that end, the EBMS leadership team is embarking on a “listening tour,” so we can gather input, insights, and ideas from people like you, in a townhall type of setting. We want to create a solid base of knowledge and context, so we can operate with credibility and accountability. Please watch for upcoming details on these events and plan to attend – I hope to see you there!

Until then,

James Vertino

James Vertino
EBMS CEO

FACT OR FICTION

Are Provider Discounts the Best Way to Control Plan Costs?



THE MYTH

Self-funded plans can maximize cost savings by negotiating discounted fees with providers. A 20 percent discount on billed charges should result in overall cost savings of 20 percent as well.

THE FACTS

A discount can be defined as the difference between a provider's full *billed charges* and the amount the provider agrees to accept as *allowed charges* within the payer's network. Network discounts alone are unlikely to maximize savings to the plan, because:

- **The discount is applied to billed charges** rather than an accepted "fair price," which can result in an inflated payment.
- **Discounts have no effect on plan utilization** and the volume of services the plan reimburses for.

THE SUPPORTING EVIDENCE

A large body of research suggests there is widespread waste and inefficiency within care delivery systems. For example, recent research concludes that 71% percent of emergency department visits could have been treated safely in an urgent care or primary care setting.

Other inefficiencies include overtreatment, duplicative testing, mismanagement of chronic disease, and unnecessary surgery.

There are also unwarranted variations in both the price of care and standards of care. The Institute of Medicine (IOM) reported that "geographic variations in spending are substantial, pervasive and persistent over time" and that "there is little or no correlation between spending and health care quality."

THE EBMS POSITION

"There is no single magic bullet to reducing costs," says Mike Trent, EBMS vice president of sales. "At EBMS, an alternative cost-containment strategy we utilize is direct contracting and reference-based pricing. We also know that appropriate utilization can save substantial amounts of money, while simultaneously improving the quality of care. Our miChoice solution allows us to proactively navigate members toward low-cost, high-quality facilities through innovative programs like concierge services and medical tourism. EBMS has also demonstrated considerable cost savings on primary care services with our miCare health centers. We are essentially changing the landscape for self-funded plans."

71%

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HR PERSPECTIVE

Has Consumerism in Healthcare Fulfilled its Promise?

The consumerism movement in healthcare has shifted more and more costs onto plan members in recent years. The theory is that increased out-of-pocket responsibility will encourage plan members to become savvier consumers of health services.

But is it reasonable to expect that the average person can acquire specialized medical knowledge? Many people are not prepared to understand complex treatment options in the best of times, much less when facing a devastating illness.

Research indicates that significant numbers of consumers need more guidance when it comes to navigating the complexities of healthcare. Consider this: in a recent survey, nearly one-third of respondents said they would not know how to proceed if they or a family member were diagnosed with a serious medical condition.

Because your members' ineffective use of their benefit plan can potentially run up costs, it makes sense to help consumers shop around for health services. The simplest approach is to offer a transparency tool, such as Healthcare Bluebook, which lets consumers compare the price of common procedures within their area. It also suggests a "fair price" for each procedure or service, based on the rates paid by private insurers. (Healthcare Bluebook is a subscription service.)

Common, non-emergent surgeries (e.g., joint replacements) are notorious for wide variations in price

between facilities and between geographic locations. You can incentivize plan members to shop around and compare different options by employing programs that do the research for them. For example, a surgical concierge service can present cost and quality data for the same procedure if done at the closest hospital or if performed at an outpatient surgery center 60 miles away. Some programs will even offer a financial incentive to a member who chooses a lower-cost, higher-quality facility further from home.

Only one-quarter of surveyed consumers said they have used quality ratings to compare the performance of doctors, hospitals, and/or health plans.

*Source: Deloitte Center for Health Solutions
2015 Survey of U.S. Health Care Consumers*

"The idea is to ease the burden of comparison shopping for consumers," says EBMS Executive Vice President of Human Resources and Strategic Planning Melissa Lyon. "With programs like a surgical concierge service supporting them, they still have skin in the game, but are more informed and therefore more confident about making medical decisions. They are able to weigh both the cost and quality of care."



TRENDS

Mobile Apps Enhance the Customer Experience



In this digital era, people want the immediate satisfaction of information at their fingertips. They want access to data instantly, whether it's to check their calendars, check an email, bank accounts or check facts. EBMS is launching their miBenefits portal mobile app for just this reason. Customers can connect to their benefits anytime and anywhere to see real-time claims processing, deductible balance or request a new card. That is just a small part of what members can do with their benefit plan at their fingertips.

Consumers also show preferences for accessing data through specialized mobile apps rather than through mobile web browsers. A 2017 report by the consulting firm Capgemini highlighted as an insurance industry trend the increasing use of digital and mobile technologies to improve the customer experience. There are several reasons why health insurance customers might find a mobile app appealing, to help them navigate coverage and benefits and EBMS has tapped into this leading trend to the benefit of their customers.

PERSONALIZED EXPERIENCES

An app can offer tailored communications about a benefit plan and give instant information and this is EBMS' mission, to let the customer have information pertaining to them anytime, anywhere.

INSTANT NOTIFICATIONS

Apps can provide effective messaging. For example, let's say an action is required from a plan member. A push notification can alert users of that fact and direct them to open the app for complete information. EBMS' miBenefits app provides notifications updating the customer on claims, deductible and stop loss, so the customer feels updated and a participant in their health care, rather than left in the dark.

EFFICIENCY AND EASE OF USE

A dedicated app can provide a better user experience. A well-designed app is easy to navigate, with streamlined menus and minimal clicks required. EBMS knows members want their own or their family's data fast and in real-time. They want knowledge and want to be able to access information not only quickly, but efficiently with little effort and confusion in the process. EBMS' mobile app has been designed with that in mind; in fact, it's one of their key pillars in their mission.

In keeping with this methodology, EBMS has developed a mobile strategy that allows busy consumers to better manage a benefit plan while on the go in the way that our culture has become accustomed to.

“We've focused our resources on developing a mobile product that aligns with our identity and goals”

“We've focused our resources on developing a mobile product that aligns with our identity and goals,” says EBMS Chief Executive Officer James Vertino. “That includes our emphasis on simplifying the benefits journey for all stakeholders. So we've essentially taken all the functionality of the miBenefits online portal and translated it into a format that works well on the smaller screen. It's all about delivering plan information in the format people prefer to use.”

The EBMS miBenefits app launched in January and is available for both Apple and Android devices.

DATA DISPATCHES

Health Informatics Adds Essential Insights to Data Reporting

A healthcare informatics specialist can perform a detailed analysis to identify the most prevalent chronic conditions in a population and evaluate whether the affected individuals are getting the care they need in a manner that most effectively protects and/or restores their health.

Our industry has done a stellar job at capturing and storing data. Where we've lagged behind, however, is in our ability to take in all this data, apply it, and act on it to solve a problem.

The average person just isn't equipped to interpret a report filled with numbers and percentages. It turns out that having too much data is just as bad as not having enough, when it comes to strategic decision-making.

Enter Laura Rookhuizen, our healthcare informatics analyst at EBMS.

Laura has a background in running care management programs. She has now combined that care delivery knowledge with an expertise in computer science and is bringing new insights to EBMS clients who want a deeper understanding of their numbers.

"This is the next level of service," Laura says. "We can answer the burning questions that data alone can't resolve. It starts with the idea *Wouldn't it be cool if we could find out...* and then we use sophisticated methods to uncover the whole story for the client."

Every project and report that Laura works on is different. Each is very specific to the client; there is no standard package. She can slice and dice a population in different ways to make a comparison or load data from an outside vendor into the system.

She has done in-depth evaluations of entire plans and of single programs to gauge both clinical and financial effectiveness. Is the plan population using preventive services according to recommended benchmarks? Does a wellness program have a positive impact on those who participate? What kind of ROI does an onsite health center generate?

"A benefit plan is a huge investment," Laura says. "When a company is looking to renew services and contracts, it wants to be sure a program is truly adding value. And that requires a deeper dive into the data than an algorithm can produce. There's a huge benefit to having human eyes on the data, being invested in the analysis at a human level."

“There's a huge benefit to having human eyes on the data, being invested in the analysis at a human level.”

That investment includes the ability to make data-driven recommendations for programs and solutions that can improve member health, often while simultaneously containing runaway costs.

"It's a way to have a direct impact on the overall well-being of our members and their families, even though we're not medical providers," Laura says.

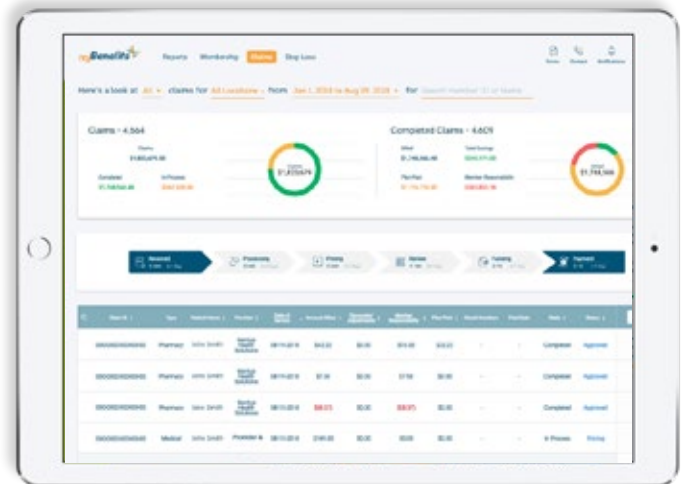
TECHNOLOGY & INNOVATION

Our New Broker Portal Goes Live!

Calling all brokers!

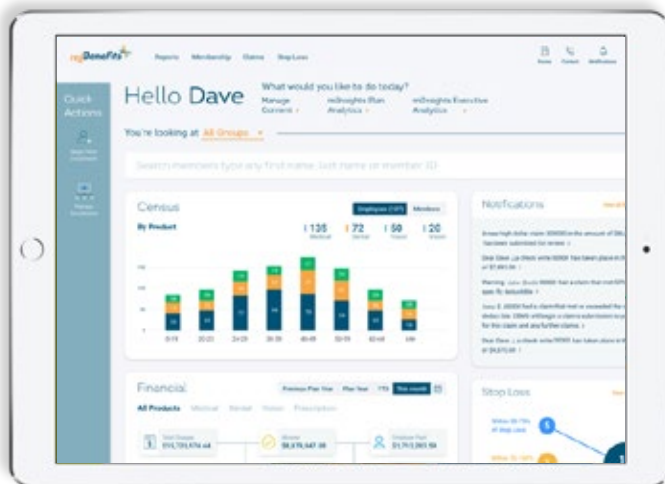
Last year, EBMS set out on a mission to do major technology upgrades. The new miBenefits portal played a leading role in that production, with expanded functionality for both plan sponsors and members. Now we're ready to introduce the broker portal. (We are piloting this portal with a select group of brokers, so it's not a full rollout quite yet. But stay tuned!)

Here's what you can expect.



You'll enjoy full transparency into the claims process.

Set the parameters for the claims you want to view, according to client, location, date, or a specific member.

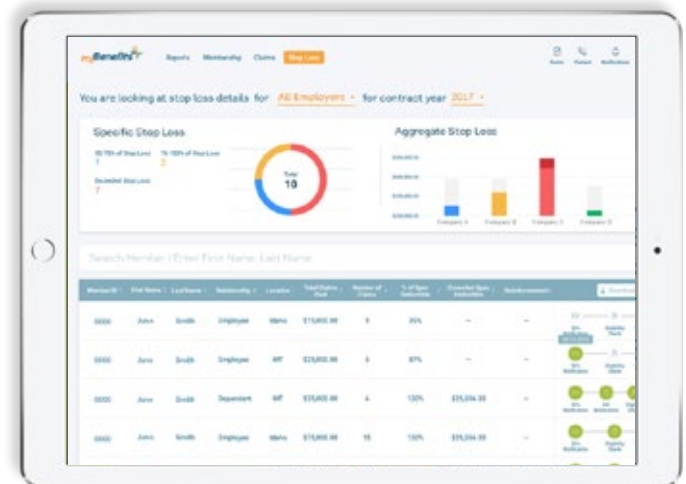


A dynamic home screen with quick links across the top and side menus.

- View a summary of your entire book of business – or use the pull-down menu to choose a single client.
- Customize your notifications for key events with your clients – including high-dollar claims, appeals, and specific deductible events.
- Keep a close eye on stop-loss totals.
- View census information and total spend by category.

Additionally, you can:

- Manage which clients each broker within the firm can view.
- Manage content for your clients' portals by adding links or ads.



Gain a powerful look at stop-loss information.

You can set parameters – by member, by group, or your entire book of business.

- Monitor specific deductible status.
- Ensure proper reimbursement by the stop-loss carrier.



NEWS & NOTES

EBMS Adds Ronald Walters and Rob Carr to Team, Justin Moser Promoted



COO Walters Brings Industry Expertise to Team

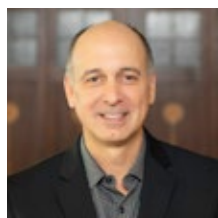
Ronald Walters Jr. brings over two decades of leadership experience to his role as Chief Operating Officer at EBMS.

He has a strong track record of improving efficiencies, profitability and customer service during his career in the insurance and financial services sectors. He will lead all core delivery functions, including claims, client banking, eligibility and client services.

Before joining EBMS, Walters served as Senior Vice President of Operations at HealthPlan Services. Walters also was president of Harrington Health, a TPA that is a division of Wipro, a provider of sales, benefits administration and technology solutions to the insurance and managed care industries. Walters also spent 13 years with Nationwide Insurance.

He spent five years working in Brazil and Luxembourg and played key roles in the development of several financial services and insurance companies.

Walters has a BS from Miami University, in Oxford, Ohio, and an MBA from The Ohio State University.



New VP Carr Puts IT, Operations Skills to Work

Rob Carr has joined EBMS as Vice President of Client Implementation and Technology and is ready to share his expertise as an operations and IT innovator.

Carr will provide oversight for the Project Management Office, IT and the configuration team. He has extensive experience in executing strategies to drive growth and boost efficiency. His approach is customer and employee centric, matching technology solutions to business challenges.

He spent over 30 years as senior Vice President of Carrier Solutions and Professional Services at HealthPlan Services, a division of Wipro. He helped HPS grow and increase system performance, reducing risk and strengthening security. Among his many accomplishments was managing multiple initiatives converting over 3.5 million members.

Carr, a skilled communicator with team member and clients, graduated from the College of St. Francis in Joliet, Ill., with a BA in Marketing and Management.



Moser Promoted to President of ebmsRe

Justin Moser has been named President of ebmsRe, the stop-loss reinsurance program owned by EBMS.

Moser will be responsible for the strategic and financial goals of ebmsRe and lead efforts to optimize its operations and effectively grow and expand the program, which is one of the leading stop-loss captive insurance programs in the marketplace.

Moser has gained experience and added responsibilities during his more than 10 years at EBMS. He joined EBMS in 2007 as an Account Manager, creating and managing relationships with regional employers and brokers. He was promoted to Regional Sales Manager in 2010, Director of Account Management in 2013, and Director of Stop-Loss Operations in 2015.

Throughout his career with EBMS, Moser has displayed an ability to understand client needs and apply his industry knowledge to find solutions for members and clients.

Moser earned a BS in Finance from Montana State University Billings.



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