

# the FRONTPAGE

— Clarity for an Evolving Industry —

January 2020 Edition



## TRENDS

9 Ways to Cut Costs on Health Benefits in 2020

pg. 4

## IN THIS EDITION:

- 2020: Ring in the Year of the Broker
- We Have Your Data— Have You Seen It?
- Forget the Standing Desk, It's About Healthcare Benefits

**ebms** 

# TRENDS

## 2020: Ring in the Year of the Broker

**In the Chinese lunar calendar, 2020 is the Year of the Rat. You may be surprised to learn that is a very good thing.** The rat is not seen as a pest at all but rather is the first of the Chinese zodiac animals and the one associated with wealth and prosperity.

It's a new way of looking at things, isn't it? And who wouldn't benefit from a fresh perspective for a brand new year?

At EBMS, we are doing just that. We're adopting a slightly different outlook for 2020, even though our business model remains the same. And it's a perspective also based on the concept of prosperity.

We're calling 2020 The Year of the Broker.

It all started last summer, when our leadership team took a closer look at the business partnerships we have with the brokers who represent us. What matters most to brokers, we wondered.

So we asked them questions. We sat down with them in focus groups and one-on-one interviews.

We sent them surveys. And we listened.

**We found that our partners, the brokers, have a wide range of priorities and concerns. And what we heard was that it all comes down to support. Some brokers work for big firms that have data analysts on staff. Others are going it mostly solo.**

Because of all the time we spent researching and listening, we now have a different perspective. We know now that to serve our mutual clients to the best of our ability, we have to support brokers at a higher level.

While our daily operations won't change, our focus does. We're committed to making the broker's job easier and to work with them more closely to bring a better experience to the end customer.

How will we do this? Through education, data, analytics and expanded resources. But it's only January, and we're still working out the details here at EBMS – so you'll have to stay tuned! We'll be providing details shortly.

# DATA DISPATCHES

## We Have Your Data— Have You Seen It?

Capturing data is easier than ever. Today's challenge is putting that data to use in ways that allow an organization to implement change. And that's where the concept of real-time data comes into play.

**Real-time data is defined as information that is delivered and presented as soon as it is acquired, so there is no delay in the timeliness of the information. EBMS is actively engaged in bringing real-time data to your benefits plan.**

Take our miBenefits portal, for example. One feature that's been a runaway hit with brokers and plan sponsors is the real-time alerts. When a key event happens, you learn about it immediately – not days or weeks later. You're notified when a member incurs a high-dollar claim, when a claims check run is complete, and when a new report is available. Then, wherever you are, you can get more details through the miBenefits portal or mobile app. This is a platform that engages you, and not the other way around – thanks to real-time data.

### **But there's more.**

EBMS is one of the only TPAs in the country providing real-time claims and plan data with the goal of empowering brokers and plan sponsors to be proactive, rather than reactive. This data is always available to you – along with analytics capabilities. For free. For everyone.

If you work with EBMS, you have access to your data, plus the ability to generate customized reports. In the past, data analytics was optional and came with a price tag, but EBMS considers these insights so important to a plan's success that we've made our miInsights solution free for brokers and plan sponsors.

**Are you using your data? It can change your plan—for the better.**

"Real-time data shows where more attention is needed, before a small problem becomes a huge headache, and potentially a huge cost to the plan fund," says Laura Rookhuizen, EBMS healthcare informatics analyst. "Traditional quarterly reports are essentially hindsight – a look at what happened in the past three months rather than what's happening now."

One area where real-time data really shines is in population health. We're talking about timely information that can stop a negative trend in its tracks.

For example, let's say your data shows a rising rate of hospitalizations among diabetic patients. Even midway through a plan year, you can proactively identify at-risk individuals and guide them toward new disease-management programs.

This is why there is such a strong relationship between population health data and benefit plan design. A real-time approach to claims data can pinpoint utilization patterns as they are emerging – not after the fact. It lets plan sponsors proactively change the way a plan addresses both primary care and complex treatment issues.

At EBMS, we've paired real-time data with better analytics capabilities so information is readily available to both brokers and plan sponsors. "Managing benefits is critical to an organization," Laura says. "You want to be sure you're well positioned to act on the claims data you collect from your population."

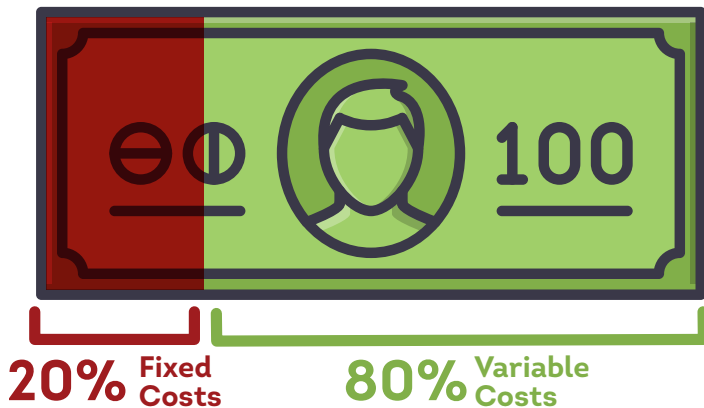
Are you using the data that is sitting there, already available on your plan or your clients' plans? If not, simply ask your account manager to help you, and let's get you started using the rich data available to you.

# TRENDS

## 9 Ways to Cut Costs on Health Benefits in 2020

**Can you believe it's 2020? The future is here! And with the new year comes a new budget. If your resolution is to cut costs on health benefits, EBMS has some ideas for you.**

All of these cost-cutting methods are based on a concept we think of as 80/20. For every dollar your plan spends, 20% goes to fixed administrative costs while the other 80% goes to variable costs - mostly in the form of claims.



Too often, people get hung up on finding ways to lower fixed costs. They mistakenly believe it's difficult to exert control over the variable cost of medical claims each year. Yet, that's exactly what these nine strategies do, with dramatic results.

- 1. Make "cost transparency" your mantra.** There are some really great transparency tools out there - let's all use them! When your members can see the price of health services, they make more informed choices. It's a win-win. They save on out-of-pocket expenses and your plan saves big time.
- 2. Implement metric-based pricing programs.** This could either complement a strong PPO network, or replace the network entirely. Your members benefit from an open network, while you gain significant control over the cost of facility-based care. While a negotiated contracts with your PPO might save you 40% on the most expensive claims, reference-based pricing can easily bring savings of 65-70%.
- 3. Get serious about preventive services.** We have witnessed it many times: a plan makes primary care more accessible and subsequently reduces high-dollar claims over time. It's a no-brainer - when you support members with a chronic condition, they are less likely to develop costly complications. EBMS clients have realized tremendous savings through

employer-operated, on-site and near-site primary care centers.

- 4. Exercise control over benefit design.** Your plan should be structured to guide members toward high-value care and help them access the lowest-cost option that is appropriate for their condition. EBMS is an industry leader in this area. Our miChoice solution has demonstrated success at promoting positive utilization patterns and cutting the costs associated with inappropriate care.
- 5. Dangle the carrot with financial incentives.** Programs designed to steer patients toward higher-value, lower-cost care work best when members are incentivized by waived deductibles and co-pays. But remember to put quality first. EBMS would never direct a member to a facility with a poor quality rating in order to save a buck.
- 6. Ditch your traditional pharmacy benefit manager (PBM).** Consolidation among PBMs has led to a lack of price transparency. We guarantee you'd be shocked at how much money your traditional PBM is pocketing. There are better options! It would take us a matter of a few days to show you alternatives and how much it would save you, all while still giving your employees better options at a cost savings.
- 7. Choose your partners carefully.** Who are you getting in bed with? Ideally, you want to work with brokers, third-party administrators, and other vendors who stay up to date on the industry, engage with you, and actively deliver cost-containment ideas.
- 8. Add 21st century telehealth services.** This is 2020 - why wouldn't you offer high-tech, 24/7 access to care? Virtual visits cost less than a traditional office visit and can prevent unnecessary visits to Urgent Care or the ER. Surveys show consumers are satisfied with them. Telemedicine is one of the biggest trends in healthcare right now.
- 9. Get really creative.** Follow the lead of progressive companies that are thinking outside the box - and consider using novel strategies like medical tourism and on-site primary care clinics to manage costs. Your account manager can run the analytics and show you how much these strategies would be able to save your plan.

Are the wheels turning in your mind yet? If you would like more ideas or a personalized review of your plan, call the EBMS account team for a more in-depth discussion of how these ideas might work for you.

# HR PERSPECTIVE

## Forget the Standing Desk, It's About Healthcare Benefits

### What makes people accept one job offer over another? What makes them decide to stay with a current employer, rather than moving on?

Consistently, the answer to these questions is the same: competitive salary and great benefits.

A 2019 survey by the Society for Human Resource Management (SHRM) found that the majority of employers are increasing the number of benefits offered across all categories. Less than 3 percent of organizations surveyed said they have decreased benefits in any category since 2018.

These were among the specific perks that SHRM found are on the rise:

- Standing desks
- On-site lactation rooms
- Telecommuting and work-from-home options

Unique benefits like this may be popular – but are they critical for recruitment and retention? Apparently not, as nearly 40 percent of surveyed employees said healthcare was the top benefit they considered when deciding whether to switch jobs.

### When it comes right down to it, the heart of a good benefit package is health insurance. And there's a good reason for this.

Employees are more aware than ever of the need for a safety net. Today, a serious injury or catastrophic illness can easily bankrupt a family that brings in a six-figure income and has money in the bank. Unpaid medical bills are consistently the leading cause of U.S. bankruptcies.



One survey even found that many people are more afraid of sky-high medical bills than they are of actual illness.

Comprehensive health benefits bring employees peace of mind that a cancer diagnosis won't leave them homeless. But it's more than that. A large body of research shows that employee engagement, satisfaction, and loyalty increase with better benefits. A great benefits package tells employees that a company actually cares about and values them.

Is your current health benefit plan a driving force in creating an engaged and productive workforce? If you can't say that it is, why not talk to the EBMS account team today for recommendations and ideas. We are experts at using data to bring savings to your plan so that you can increase your benefits to employees.



2075 Overland Ave. | Billings, MT 59102  
Phone (406) 245-3575 | Toll Free 800-777-3575 | Fax (406) 652-5380

[ebms.com](http://ebms.com)

