


Benefits on the Ballot

A Political Update for Health Benefits Professionals

September 22, 2020

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Overview

- PGC FAQs
- Political Update
- The Candidates' Healthcare Plans & The Impact On You
- Changes Coming to Drug Pricing & How to Prepare
- Changes Coming to Price Transparency & How to Prepare

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Today's Speakers



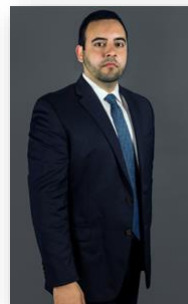
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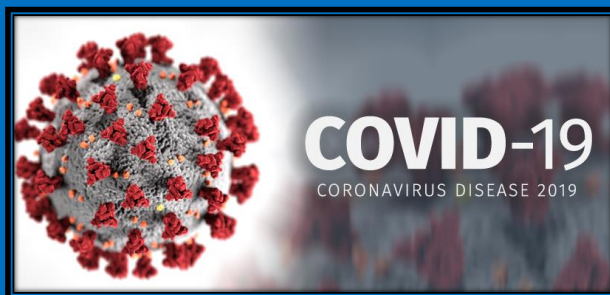


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Phia Group Consulting

STAY AHEAD OF CORONAVIRUS



Contact Us At PGCReferral@phiagroup.com
with any and all questions on COVID-19

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health insurance industry news?

Click on the link below to follow our LinkedIn page!



or

Go to LinkedIn and search for **The Phia Group, LLC**

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www.phiagroup.com/Media/Podcasts

Thanks for listening!

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Thanks for Listening!

Special Shout-Out to

Neil Quinn

Vice President, Strategic Initiatives
riskinternational | Benefits Advisors



Neil Told Us:

"I'm highly allergic to status quo and carry an Epi-Pen filled with contrarian serum to counteract severe exposures. Unfortunately, in my line of business, it gets a lot of use."

Thanks for listening!

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PACE® Certification

The PACE® Certification program will educate you using 3 distinct chapters of information:

Chapter One

Explore the ins and outs of self-funding while learning about its risks and rewards. This chapter will transform any individual into a self-funding pro.

Chapter Two

Take a deeper dive into the laws that apply to self-funded plans. We cover it all, from federal preemption to adverse benefit determinations and appeals.

Chapter Three

Explain what PACE is, what PACE does, and how it's obtained, implemented, and utilized.



UPDATE! 75% of PACE Certified TPAs are reporting the tools provided have already increased their PACE plan-adoption rate, resulting in increased revenue for the TPA, and more employers being protected.

Please contact Michael Vaz at mvaz@phiagroup.com or 781-884-4971 if you are interested in learning more.

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Subrogation Value Reports

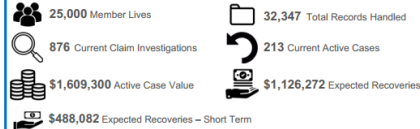
Sample Client Subrogation Value Report



Report Date: 03/18/2020

Phia Effective Date: 01/11/2015

Current Stats



Industry Comparison

1 Active For Every 117 Member Lives Vs. Industry Average Of 1 Active For Every 500 Member Lives
Recovered \$30 Per Member Life Vs. Industry Average Of \$5 Per Member Life

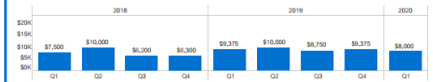
End of Year Stats

	Member Lives At Start	Recovery Cases	Recovered Amount	Member Lives Per Active Case	Recoveries Per Member
2019	25,000	160	\$750,000	117	\$30
2018	24,000	150	\$600,000	150	\$28
2017	21,670	140	\$433,400	165	\$20
2016	20,722	130	\$316,830	200	\$15
2015	19,500	100	\$195,000	220	\$10

Your Revenue

Total To Date

\$122,462



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Sample Group Subrogation Value Report



Report Date: 03/18/2020

Phia Effective Date: 01/01/2017

Current Stats



Industry Comparison

1 Active For Every 125 Member Lives Vs. Industry Average Of 1 Active For Every 500 Member Lives
Recovered \$25 Per Member Life Vs. Industry Average Of \$5 Per Member Life

Average Case Age

Your Average	Phia BOB Average	Your MVA Average	Phia BOB MVA Average
608 days	609 days	564 days	564 days

Historical Recovery Rate – ERISA Law Plans By Circuit

Circuit	Cases	Your Recovery %	Phia BOB Recovery %
4	8	96%	81%
5	7	95%	89%
8	6	70%	89%
11	5	86%	82%

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Balance Billing Value Reports

Sample Client Balance Billing Value Report



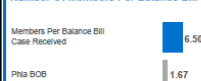
Report Date: 09/21/2020

Phia Effective Date: 04/01/2015

Current Claim and Balance Billing Exposure



Number Of Members Per Balance Bill Case



Number Of Members Per Active Balance Bill Case



Balance Billing Performance Since 01/01/20

Closed Charged Amount	Savings On Charged Amount
\$1,155,376	\$604,206
Closed Balance Bill Amount	Savings On Balance Bill Amount
\$736,836	\$604,206
Percent Saved On Charged Amount	Negotiated Medicare Rate On Closed Claims
52%	285%
Percent Saved On Balance Bill Amount	Number Of Claims Pulled Back
82%	14

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Phia's Client Success Team

What Is Our Client Success Team?

- Centralized point of contact for all clients
- Relationship-focused client managers
- Align client and operations goals



What Will the Team Do for Me?

- Fix any issues and ensure you are happy with our services
- Identify any delays or roadblocks preventing us from doing our jobs
- Deliver all reports and resolve any issues associated with them
- Fully analyze, utilize, and interpret Value Reports and other reporting tools
- Respond to routine file specific client questions (e.g., status on file #12345)
- Provide subject matter expert ("SME") assistance as needed

Key Contacts

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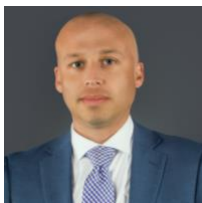


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Phia International

Jason Davis

Senior Vice President of Provider
Relations



Nick Fitzsimmons

Senior Director of Provider
Relations



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Phia Featured at SIIA's Virtual National Conference



SELF-INSURANCE CLAIMS CLASSROOM

ADAM RUSSO
CEO
THE PHIA GROUP, LLC

**OCTOBER 15, 2020
10:00AM EDT**

Experience SIIA
From Wherever You Are

VIRTUAL 40TH ANNUAL NATIONAL CONFERENCE & EXPO

HEALTH PLAN RESPONSIBILITIES & COVID-19 - WHO, WHAT, AND WHEN?

RON PECK
EVP & GENERAL COUNSEL
THE PHIA GROUP, LLC

**OCTOBER 14, 2020
1:00PM EDT**

Experience SIIA
From Wherever You Are

VIRTUAL 40TH ANNUAL NATIONAL CONFERENCE & EXPO

www.siiaconferences.org

*<https://www.publicdomainpictures.net>



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Last Month's PGC FAQs

- Does our obligation to pay the provider's "posted cash price" apply to only the COVID-19 test itself, or to all services in connection with its administration as well?
 - The obligation applies for all charges attributable to the administration of the test as well as the test itself; however, strangely, the provider's obligation to actually post a public cash price only applies to the test itself.
 - The coverage requirement applies for payment "of items and services described in section 6001(a) of division F" of FFCRA, "...as listed by the provider on a public internet website"
 - That definition describes "An in vitro diagnostic test ... for the detection of SARS-CoV-2, or the diagnosis of the virus that causes COVID-19, **and the administration of such a test...**" CARES Act, SEC. 3201.

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Last Month's PGC FAQs

- We're a TPA – our client is asking us to transmit data to another vendor they work with – do we need a Business Associate Agreement with that vendor as well?
 - Probably not (but as usual, it depends); the vendor certainly needs a "BAA" with the Covered Entity.
 - The first question is always "What is the relationship between these two entities?"
 - A Business Associate is any entity that *performs a service for* a Covered Entity, which involves the use of Protected Health Information (PHI).
 - A Subcontractor is contracted by the Business Associate to perform part or all of that service for the Covered Entity.
 - Is the vendor your subcontractor, or is the vendor the plan's Business Associate?

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The Death of Justice Ruth Bader Ginsburg

- Ruth Bader Ginsburg, 1933-2020
- The Void Created on the Supreme Court
- What Will Happen to the Affordable Care Act?
 - The ACA Is In More Danger Now Than Ever Before
 - The Possible Scenarios
- Will President Trump Name As a Replacement?
- What this Means for the Election

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Update on the Obamacare Case at SCOTUS

- California v. Texas (Texas v. United States in Lower Courts)
- Quick Recap – Who, What, When, Etc.
 - District Court - No Longer a Tax, So Mandate Is Invalid
 - No Severability - If One Part Is Illegal – It's All Illegal
 - 5th Circuit – ACA's individual mandate is unconstitutional
 - Remanded the case back to the district court
 - Defendants Petitioned SCOTUS to Take Case Now, SCOTUS Disagreed
- SCOTUS Has Agreed to Consider 3 Legal Questions
 - 1.) Whether Texas and two individual plaintiffs who have joined the suit have standing; 2.) whether Congress rendered the individual mandate unconstitutional; and, 3.) if it did, whether the rest of the law must fall with it
- Oral Arguments Will Take Place on November 10th
- Predictions?

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State of the Race for 2020

National polls

U.S.	YouGov Sept. 13-15, 1,062 L.V.	Biden +9 +7D 51-42
U.S.	Ipsos Sept. 11-15, 859 L.V.	Biden +9 +7D 50-41
U.S.	USC Dornsife/Los Angeles Times Sept. 9-15, 2,865 L.V.	Biden +7 +5D 50-43
U.S.	Rasmussen Reports/Pulse Opinion Research Sept. 9-15, 2,500 L.V.	Trump +1 +3R 46-47

Exploring Electoral College outcomes

Electoral votes counting only states where a candidate leads by 3 or more:



Electoral votes if polling leads translate perfectly to results (they won't):



Electoral votes if state polls are as wrong as they were in 2016†:



	POLLING LEADER	IF POLLS ARE AS WRONG AS THEY WERE IN...	
		2016	2012
U.S.	+6 Biden	+3	+10
Minn.	+10 Biden	+2	+11
Mich.	+7 Biden	+2	+11
Wis.	+5 Biden	+2	+8
Ariz.	+5 Biden	+3	+4
Neb. 2*	+5 Biden	+7	<1
Pa.	+5 Biden	<1	+6
N.H.	+4 Biden	<1	+7
Nev.	+4 Biden	+5	+6
Maine 2*	+3 Biden	+8	+8
Fla.	+2 Biden	<1	+3
N.C.	<1 Biden	+4	<1
Ohio	<1 Biden	+6	+1
Iowa	+1 Trump	+9	+2
Ga.	+1 Trump	+3	+2
Texas	+2 Trump	+3	+3

UPDATED SEPT. 18 10:09 AM ET

Source: The New York Times, <https://www.nytimes.com/live/2020/presidential-polls-trump-biden>

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5 Pillars of Biden's Healthcare Plan

- Lower Medicare to Age 60
- Install a Government-run Public Option
 - The Biden Public Option Will "... reduce costs for patients by negotiating lower prices from hospitals and other healthcare providers," Biden Says on His Campaign Website. "It also will better coordinate among all of a patient's doctors to improve the efficacy and quality of their care and cover primary care without any co-payments. And it will bring relief to small businesses struggling to afford coverage for their employees."
- Boost the Affordable Care Act
- Stop Surprise Billing
- Prescription Drug Reform
 - Repeal Existing Laws Barring Medicare from Negotiating Prices with Drug Companies
 - Drug Importation

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Trump's Healthcare Plan, Explained

- Repeal the Affordable Care Act
- Protect those with Pre-existing Conditions
- Prescription Drug Reform
- End Surprise Billing
- The President has Been Promising a "Complete" Healthcare Plan for Weeks, but He Still Has Not Released It
- Part of the Reason is That He Cannot Get Congress to Pass Meaningful Reform
- What We Have Seen Instead Is a Series of Executive Orders
- These Have all Been (or Will be) Challenged in the Courts

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How to Survive in an Era of Political Uncertainty

Embrace Entrepreneurship – If You Can't Win on Price, Win on Quality!

- Resolute Motivation & Passion
- Staying Informed / Anticipating Market Shifts
- Innovative & Creative Thinking
- Risk-Taking Ability
- Persistence

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How to Survive in an Era of Political Uncertainty

- Keep Up with Legislation, Regulations, and Litigation
- Identify Opportunities Now, Don't Wait on Congress!
- Congress Has Thus Far Failed to Pass a New COVID-19 Relief Package
 - Important Healthcare Policies are at Stake
 - Surprise Billing
 - Price Transparency
 - Telehealth Policy Extension
 - COVID-19 Testing Funds
 - Provider Relief Money
 - Liability Protections for Employers and Providers
 - COBRA Subsidies
- Stay Current on What Has Changed & Identify Opportunities to Save
- Top Issues Include Mental Health Claims & Telehealth

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A Closer Look at the Federal Rule on Copay Assistance

- Manufacturer's Coupons/Copay Cards
 - Can Incentivize Employees to Choose Specialty Rx Over Cheaper Generics
- Excluding Patient Assistance Amounts from Patient's OOPM Is Now Allowed
 - Earlier Regulations "Indicated" You Could Not Do This - There was Ambiguity
- Final Rule Leaves the Decision Up to Employers
 - State Laws can Supersede
 - 4 States Have Them – AZ, IL, VA, WV
 - Effective 7/13
- You Can Now Implement Copay Accumulator Programs
- **Review Your Plan Language and Internal Practices!**

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Trump's Executive Orders on Drug Pricing

- July 24th, Pres. Trump Signed 4 EOs on Prescription Drug Costs
 - All Require Regulatory Action
- #1 – Prescription Drug Importation
- #2 – Medicare Part D Drug Rebates
 - Require Rebates for Drugs Purchased by Medicare to go to Consumers Instead of to PBMs
- #3 – Cost of Insulin & Injectables Used in Federally Qualified Health Centers
 - Directs FQHCs to Pass the 340B Pricing Discounts they Receive for Insulin and Injectable Epinephrine Directly to their Low-Income Patients.
- #4 – "Most Favored Nation" Proposal
 - Uses International Reference Prices to Lower Drug Costs
 - No One has Seen the Text As Of Yet
 - Could Base Prices on 126% of What Other Countries Pay, Down From 180%

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Trump's Executive Orders on Drug Pricing

Prescription Drug Importation

- Focuses on safe drug importation from foreign countries, a plan that the HHS and the Food and Drug Administration (FDA) originally released in December 2019. Under the **new executive order, states, wholesalers, and pharmacies are allowed to import prescription drugs from Canada and sell them in the U.S.** The order also includes a special provision to allow wholesalers and pharmacies to re-import insulin and biological drugs.

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A Deep Dive – HHS Rule on Price Transparency

A Brief Reminder:

- What Was the Goal?
 - To Help Consumers Know the Prices & Quality of a Good or Service & to Make Informed Decisions About Their Healthcare
 - To Avoid ERISA Preemption (Gobeille v. Liberty Mutual, 577 U.S. ___ 2016)
 - Providers **Need** to Disclose Prices
 - Information Regarding Quality of Providers **Needs** to be Made Available
 - Insurance Companies **Need** to Provide Price Transparency
 - Agencies **Need** to Consolidate Quality Measures
- The Rule Has Survived Legal Challenges (So Far)
- Rule Scheduled to Take Effect on 1/1/2021; the AHA Will Appeal

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A Deep Dive – HHS Rule on Price Transparency

Underlying Assumptions:

- Hospitals and Insurers Benefit from Non-Transparent Pricing
- Patients Care Enough to Shop Around, Despite the Maximum OOP Limitations
- Patients are the Ones Most Affected by the Lack of Transparency, Rather than Insurers
- Patients Fully Understand and Embrace all Terms and Limitations Within their Insurance Plans

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A Deep Dive – HHS Rule on Price Transparency

What Does the Order Do?

- Requires Doctors, Hospitals & Insurers to Disclose Actual Prices (e.g., negotiated rates) for Common Tests and Procedures
- Hospitals Must Publicly Post Negotiated Prices in a “User-Friendly” Format
- Providers & Insurers Must Disclose Estimated OOP Costs to Patients Before They Receive Care
- Administration Officials said More Price Transparency Would Lead to Lower and More Predictable Prices in an Industry that has Huge Ranges in What Insurers Pay for Services
 - A Simple Blood Test, for Example, Can Cost \$11 or \$1,000
 - Coronavirus Tests Show a Similar Variation, with Prices from \$27 to \$2,315

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A Deep Dive – HHS Rule on Price Transparency

What Will be the Impact of the Rule?

- Patients Will Have Additional Tools to Take Control of Their Healthcare Spending
- More Information Should Yield a More Efficient Healthcare Market
 - The Aim is Lower Prices, Higher Quality Services
- Example of the Surgery Center of Oklahoma
 - On its Website, Consumers Can Find a Menu With the Price of Every Service Offered
 - Patients Have Flocked There for Their Healthcare Needs
 - One California Resident who Needed Surgery Would have Paid \$30k in CA. He Traveled to OK and Paid \$5,700.

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Price Transparency will Bolster Employee Incentive Programs

Health Consumerism

Plan Participants Must Be:

1. Provided with Price Transparency
2. Provided with Quality Metrics
3. Incentivized to Care About Cost AND Quality of Care!

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Price Transparency will Bolster Employee Incentive Programs

- The Price Transparency Rule will Provide More Information to Employees Which Can Be Utilized in EE Incentive Programs

Employee Incentive Programs

- Preemptive Consultation for Medical Procedures
- Price Negotiated Providers
- Price/Quality “Shopping Tools”

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Price Transparency Only Goes So Far

Takeaways:

- Transparency Doesn't Regulate *In*-Network Billing
- Transparency Doesn't Regulate *Non*-Network Billing
- Transparency Doesn't Solve the Bigger Issue, Which is Inflated *Insurance* Billing
- Surprise Billing *May* be Tackled *Somehow, Eventually*
- Transparency Only Goes so Far; Health Plans Will Need Systems of Incentives to Make Sure Patients Have a Reason to Stay Informed!

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Thank You!

Join Us For Our Next Free Webinar:
October 20, 2020 at 1:00pm EDT
www.phiagroup.com/media/webinars

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