



# GROUPSCOOP

Important news and updates from your benefits professionals

Vol. 2018, Iss. 04

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Experts say use far exceeds existing medical evidence.

### Wellness Programs

Now is the time to re-evaluate your wellness program to ensure that incentives are still compliant.

### Hospital Transparency

CMS is doing more to make hospital costs available.

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### Keep Informed

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## DG Solutions Day Was Awesome!

Welcome to the Fall Edition of the Group Scoop. We hope you had a healthy and fun summer. We would like to thank our clients, business partners and broker partners for attending our DG Solutions Day on Oct 5th at the Mohegan Sun Casino. The theme of the seminar this year was "Let's Take Control." The feedback we have received has been outstanding. During this productive event, everyone was able to take something away to help them take control of their healthcare plans. The presentations topics included the following:

- **Too Many PBMs, Too Few Solutions**  
(Chris Robbins, Arxcel)
- **Aligning Incentives to Lower Costs, Improve Outcomes** (Matt Lee, EmpiRx)
- **Designing a Win-Win Health Plan**  
(Adam Russo, Phia Group)
- **Impacting Cost and Care with Disease Management**  
(Nancy Blough, AHDl)
- **What's Working in Reference Based Pricing**  
(Steve Kelly, ELAP Services)
- **Easing the Compliance Burden**  
(Dave Follansbee, Diversified Group)

Thank you again to the speakers for giving so much valuable information to our clients and their advisors! Thanks to all who took time out of their busy schedules, it's nice to hear it was well worth your time. Diversified and our partners have this event every 3 years at the Mohegan Sun Casino and we hope you will consider attending our next seminar.

With the arrival of Fall, many health plans are focused on their upcoming renewals. Diversified is working very hard to provide solid results and options for all our self-insured

clients and prospective clients. We have seen unprecedented interest and growth over the last five years with each year getting busier than the last. We have added a lot of new talent to our bench this year, which will help keep our expertise and service standards high! Our team is prepared and our sales team looks forward to meeting with you to discuss how we can assist in controlling costs.

We are once again proud to announce that Diversified Group was chosen for the second year in a row as a Top Workplace in Connecticut. This award is based on feedback from the employees of Diversified Group, which can be as sobering (showing us where we need to improve) as it is exhilarating, and the results speak for themselves. As we have grown we have always tried to keep the focus on our employees and to create a unique environment at our office. We do this because we believe it's the best way to deliver solid performance to you. If you have never had the opportunity to visit our facility, we invite you to come by any time.

On behalf of the entire team here at Diversified we would like to thank you for your business. We know there are many choices when it comes to healthcare and our competition is tough but it keeps us on our toes! During our seminar we acknowledged many customers that have been with Diversified Group for 10 and 20 years! We are blessed to have the most loyal clients, which is shown in our year to year retention rate. Thank YOU!

Hope all is well,

Charlie, Brooks, Dan



## How Should Your Plan Address Medical Marijuana?



There is a lot of misinformation surrounding medical cannabis, which can make it difficult to establish a plan document that accurately outlines its use. One particular obstacle is the lack of verified and sourced research regarding the medicinal use of cannabis, creating confusion around what the drug can and should be used for.

To address this confusion, benefit plans should limit coverage to areas where existing evidence supports the use. Create a benefit description that reflects approved applications determined by your state, while also limiting the care option to those members whose previous treatment options have failed. Experts agree that plan documents should clearly indicate that medical cannabis will not be authorized as a first line therapy.

Other parameters can be set, such as financial limitations within a certain time period, eligible products and dosages and even eligible suppliers. When addressing cost considerations, it's important to know that medical cannabis should not be viewed as an alternative to prescription painkillers and opioids, but rather an add-on which does not eliminate those other costs.

## Healthcare Reform & Regulatory Update

# There's More to Know About AHPs

Many employers will find it interesting that AHPs will continue to be categorized as MEWAs – Multiple Employer Welfare Arrangements. This consideration will make association health plans subject to some state regulations that severely restrict the formation of self-funded MEWAs.

Having to comply with the rules of each state will make AHPs more difficult to organize. While associations can create a plan that extends across state lines,

they will have to follow the rules of the state they are in that has the most restrictive laws. As an example, an AHP based in New Jersey that extends into New York would still have to follow the more restrictive laws of New York.

Even though the regulations are more restrictive than many would like, AHPs should enable many small employers to offer their employees better health benefits at more affordable rates.

## Is Your 2019 Wellness Program Compliant?

As we begin to wrap up 2018, now might be a good time to re-evaluate your wellness program and make sure the program and incentives are still compliant.

If you hadn't heard, in December of 2017, AARP challenged the Equal Employment Opportunity Commission (EEOC) on their regulations for incentive values and how they feel they can affect the interpretation of what it means for a program to be "voluntary." Federal court ultimately ruled in favor of AARP and ordered the EEOC to re-evaluate their incentive limitations to go into effect January 1st, 2019.

At this point, the EEOC still has no revised regulations, leaving employers and their wellness programs wondering what to do. Many are choosing to continue with business as usual. But, while there are no new regulations, now might be a good time to make sure that at the very least, you still meet the current

guidelines. Here are some good questions to ask about your current program:

- **If you're offering incentives, does the value fall within the current incentive limits?**
- **Does your program have a reasonable alternative established for those who are medically unable to meet any set criteria?**
- **Are you formally communicating to your employees about the company's wellness program criteria and incentives on an annual basis?**

If you're hesitant about any of your answers, it might be time to consult with a wellness professional before you dive too deep into planning your 2019 program.

To schedule a consultation with Corporate Fitness & Health, contact us at [info@cfandh.com](mailto:info@cfandh.com).

# Trends Latest Happenings in Today's World

### Employers Investing More in Benefits

Health and wellness are integral to employee performance, which helps explain why employers are investing more in their employee benefit offerings.

In June of 2018, the average cost of benefits rose by 2.9%, while wage costs rose by 2.7%, according to

data released by the Bureau of Labor Statistics. Also on the rise is paid leave, which has seen a 4% cost per employee increase since 2017. This includes paid parental leave, which allows time off for a birth, adoption or foster placement of a new child.

### Traditional Plans Decrease

Since 2007, adults ages 18 to 64 with employment-based coverage have

increasingly chosen High Deductible Health Plans (HDHP), both with and without Health Savings Accounts (HSA), over traditional plans.

In 2017, the number enrolled in HDHPs without an HSA rose to 24.5%, while HDHPs with HSAs rose to 8.9%. Some employers are choosing to only offer HDHPs, helping shift employees away from traditional plans.

## CMS Pushes for Hospital Price Transparency



The Centers for Medicare and Medicaid Services recently proposed a rule intended to give patients a clear look at the cost of hospital care. Beginning January 1, 2019, hospitals will be required to make a list of their current standard charges available on the internet in a machine readable format and update the information at least annually.

While CMS believes the update will promote price transparency and make more information available to the public, recent comments argue that the formatting will be confusing for patients, failing to show their actual out-of-pocket costs. CMS is reviewing these concerns.

## Deductibles Keep Rising

The International Foundation of Employee Benefit Plans reports that individuals enrolled in employer-sponsored healthcare plans are now paying an average deductible of \$1,491 for individual coverage and nearly \$2,800 for family coverage. These numbers are up from \$1,300 and \$2,500, respectively, in 2016.

Individuals covered by HDHPs have average deductibles of \$2,296, with families averaging \$4,104 – more than twice the averages for traditional, non-high deductible plans. The online survey included nearly 700 U.S. members of IFEBCP and was conducted in February.

### Fentanyl Deaths on the Rise

Fentanyl, a hyper-potent, synthetic alternative to opioids, played a roll in over 60% of the 49,000 overdose deaths in 2017. Just a few grains can be lethal, and because such a small amount is needed, it is easily shipped undetected throughout the U.S. Fentanyl and other opioids are killing more than 130 people a day, and an international push is necessary to reverse the trend.

### Troubleshooting Telemedicine

The healthcare landscape is changing as providers increasingly offer virtual care options, and naturally it's taken some getting used to. A recent study by the Deloitte Center for Health Solutions found that while patients who have used virtual care reported a 77% satisfaction rate, only 44% felt that their wait time was reduced compared to an in-person office visit. Some offices are

designating doctors for virtual care on specific days of the week to circumvent wait times caused by healthcare professionals bouncing between in-person and virtual patients.

### More Patients Texting

Healthcare professionals that aren't utilizing text communications are failing to meet their patients where they are. A 2018 survey found 11% of patients

would rather communicate via text message, a number that is expected to grow as the Millennial population begins to outnumber Boomers. Text alerts and communications can be used for a variety of services, including preventative care such as periodic appointments and flu shots, post-treatment care information, remote health monitoring and chronic disease management.



## Getting Creative About Behavioral Health

With behavioral health conditions impacting one in five Americans, it's no wonder we're seeing more employers search for ways to provide members with better access to behavioral healthcare benefits.

Statistics show that many employees, including some that are insured, fail to get the mental healthcare they need. Because self-funded health plans provide plan design flexibility, some plans are taking bold steps to address this growing need. While many are using telemedicine to improve access and lower costs, some employers are treating out-of-network behavioral health treatment as in-network, enabling employees to pay the same amount for treatment regardless of which provider they use. Others are covering out-of-network behavioral healthcare services even when their plan doesn't cover out-of-network services for other types of care.

When you consider that mental illness has become the greatest cause of disability claims in the U.S., it is not surprising that employers are looking for ways to help employees obtain the care they need.

## Significant Action is Warranted

There is plenty of research to show that Americans are not getting the mental health care they need. According to Mental Health America, despite having health insurance, 56.5% of adults with mental illness received no treatment in the past year.

Another problem is that behavioral health treatments are rarely classified as primary care, and are regarded instead as specialty treatment. This makes people find an in-network provider, go out-of-network, pay higher out-of-pocket costs or avoid treatment altogether. Claims data from Collective Health shows that more than 40% of the 2017 behavioral health spend was out-of-network, which is many times the amount spent on primary or preventative care.

# Self-Funding: More Than a Means to an End



In an effort to take control of their healthcare spend, more employers continue to move to self-funding. But as those who have used this funding mechanism for some time have learned, designing a self-funded health benefit plan is just the beginning. When a health plan is self-funded, the entire healthcare supply chain is unbundled, giving everyone a clear, unobstructed view of the healthcare spend. An experienced Third Party Administrator will help you identify exactly where your healthcare dollars are going. Providers can be evaluated. Opportunities to achieve quality outcomes and lower costs can be explored.

Best of all, unlike fully-insured health plans that are carrier-based, employers who self-fund their health benefits have the flexibility to act.

## Target Cost Transparency

According to the Centers for Medicare and Medicaid Services, healthcare costs have increased by more than 260% since 1999. One of the biggest problems is costs for the same service can vary drastically from one provider to the next, even when the providers are located in the same marketplace. One way to attack this problem is with Reference Based Pricing, which typically allows qualified self-funded health plans to pay for medical services based on a percentage of Medicare, rather than by applying a percentage discount to a facility's billed charges. Using an accepted index such as Medicare has enabled a growing number of health plans to bring cost transparency and consistency to hospital billing, since Medicare sets prices for every procedure.

## Communicate with Purpose

From mobile cost transparency tools to telemedicine, employers are doing more than ever to help

plan members utilize their benefits. Engagement rates, however, often tell a disappointing story as many employees are reluctant to use these new features. Experience tells us that whether we're talking about a published provider directory or an online member portal, most people are confused by healthcare coverage.

Whether your company decides to place colorful posters in gathering spots, hold employee meetings or distribute email newsletters, emphasizing the steps you're taking to make healthcare more accessible and affordable is critical. In this time of full employment and intense competition, health benefits can play an extremely important role in attracting and retaining valued employees. Don't miss this opportunity to enhance your company culture and improve your employees quality of life.

**Please Contact Us:** This newsletter is not intended as a substitute for personal medical or employee benefits advice. Please consult your physician before making decisions that may impact your personal health. Talk to your benefits administrator before implementing strategies that may impact your organization's employee benefit objectives.

## Social Corner

Keep informed by connecting with Diversified Group online...



## Diversified Named a Top Workplace for 2<sup>nd</sup> Year by Hartford Courant!

The Hartford Courant has named Diversified Group a winner of the Greater Hartford Region 2018 Top Workplaces Award. The Top Workplaces list is based on employee feedback gathered through a third-party survey administered by Energage, LLC (formerly WorkplaceDynamics), a leading provider of technology-based employee engagement tools.

*"Every day our employees work closely with our clients and their plan members doing everything they can to help people make better healthcare decisions. To be able to foster an environment that these hard-working people are proud to be a part of is so rewarding," stated Brooks Goodison, President of Diversified Group. To read more, visit [www.dgb-online.com](http://www.dgb-online.com).*

### → ON OUR BLOG

#### Fighting Depression in the Workplace

While awareness of mental health concerns in the workplace is increasing, studies repeatedly show that not enough employees feel comfortable utilizing mental health benefits. Furthermore, many are often unaware mental health benefits are even available.

Read More at <https://info.dgb-online.com>

### → LINKEDIN

[linkedin.com/company/diversified-group](https://www.linkedin.com/company/diversified-group)

A new app called Belong is helping patients battling cancer and their families create a virtual community. Belongers can provide support and advice, creating a roadmap for patients. <https://goo.gl/8KqTeM>.