



2022 MASBO CONFERENCE

HEALTHCARE TRENDS



*UNDERSTANDING
YOUR INSURANCE*

Benefits for your future

TOPICS

Common Healthcare Terms

High Deductible Health Plans / HSA

Preventative Health

Network Providers

Medical Trends & Inflation

Pharmacy and Specialty Pharmacy Trends

Telehealth / Smart Tech

RX Name Brand VS. Generic



... THE INDUSTRY MUST ADAPT TO LONG-TERM SHIFTS IN CONSUMER BEHAVIOR, INCLUDING EXPECTATIONS OF PERSONAL HEALTH SAFETY AND THE NEED FOR HONEST/TRANSPARENT COMMUNICATION.

Andrea Wroble, Leading Health & Wellness Research Analyst

COMMON HEALTH CARE TERMS

Deductible

- The amount the member (or family) must pay **before the plan will pay for covered services**
- Once the deductible is satisfied, coinsurance amounts will be applied
- Ambulance, anesthesia, hospital inpatient or outpatient services, and durable medical equipment/supplies are examples of services that are subject to the deductible

Co-Insurance

- A shared responsibility of member
- Depending on your plan, it may be 80% / 20% or 100%
- Co-Insurance is applied **after** the deductible is met

Co-Pay

- A flat dollar amount that a member pays for a given service, ex. A doctor office visit typically has a \$25 co-pay
- Not subject to the deductible
- May or may not apply to out-of-pocket maximum

Out-of-pocket Maximum

- The most a member will pay out-of-pocket in a benefit plan year (for covered charges)
- Medical deductibles, co-insurance, and co-pays typically count towards this amount

WHAT DOES NOT APPLY:

- Charges beyond network allowed amount (balanced bill)
- Plan exclusions that aren't covered by the plan

HIGH DEDUCTIBLE HEALTH PLANS & HSA

- A type of health plan specifically designed to be paired with a Health Savings Account (HSA)
- Member must meet the deductible before the plan will pay (with the exception of defined Preventive Benefits)
- “Deductible” and “Out-of-Pocket Maximum” have different definitions and may accumulate separately
- Regulated by the IRS



WHAT IS A HSA?

- Savings account earmarked specifically for qualified medical expenses
- Pre-tax dollars fund the account
- Portability
- Funds roll over and accumulate from year to year
- IRS rules govern contribution limits, usage, and other coverages

2022 HSA CONTRIBUTION LIMITS

- \$3650 *Self-Only*
- \$7300 *Family*



MEDICAL TRENDS & INFLATION

Why Medical Inflation is Accelerating

The same problems driving up prices in the rest of the economy:

- rising costs within the supply chain
- difficulty finding workers for open jobs

This has forced hospitals to increase their pay & benefits or hire temporary help. To make up for higher costs, health insurers are being charged more money for procedures and treatment.

For medical services, there is a lag between the inflationary pressures first appear and when they are felt in healthcare prices.



99% of rural hospitals said they were experiencing a staffing shortage.

96% of them said they were having the most difficulty finding nurses.

-CHARTIS GROUP

In October 2021, prices for health care services rose at a **2% rate** year-over-year, compared to a **6.2% rate** for all consumer products.

-ALTARUM

PREVENTIVE HEALTH

- Tests

- Blood Pressure
- Diabetes
- Cholesterol

- Cancer Screenings

- Mammograms
- Colonoscopies

- Intervention

- Quit Smoking
- Lose Weight
- Eat Healthy
- Identify Mental Health Concerns
- Reduce Alcohol Use
- Avoid STDs

- STD Screenings

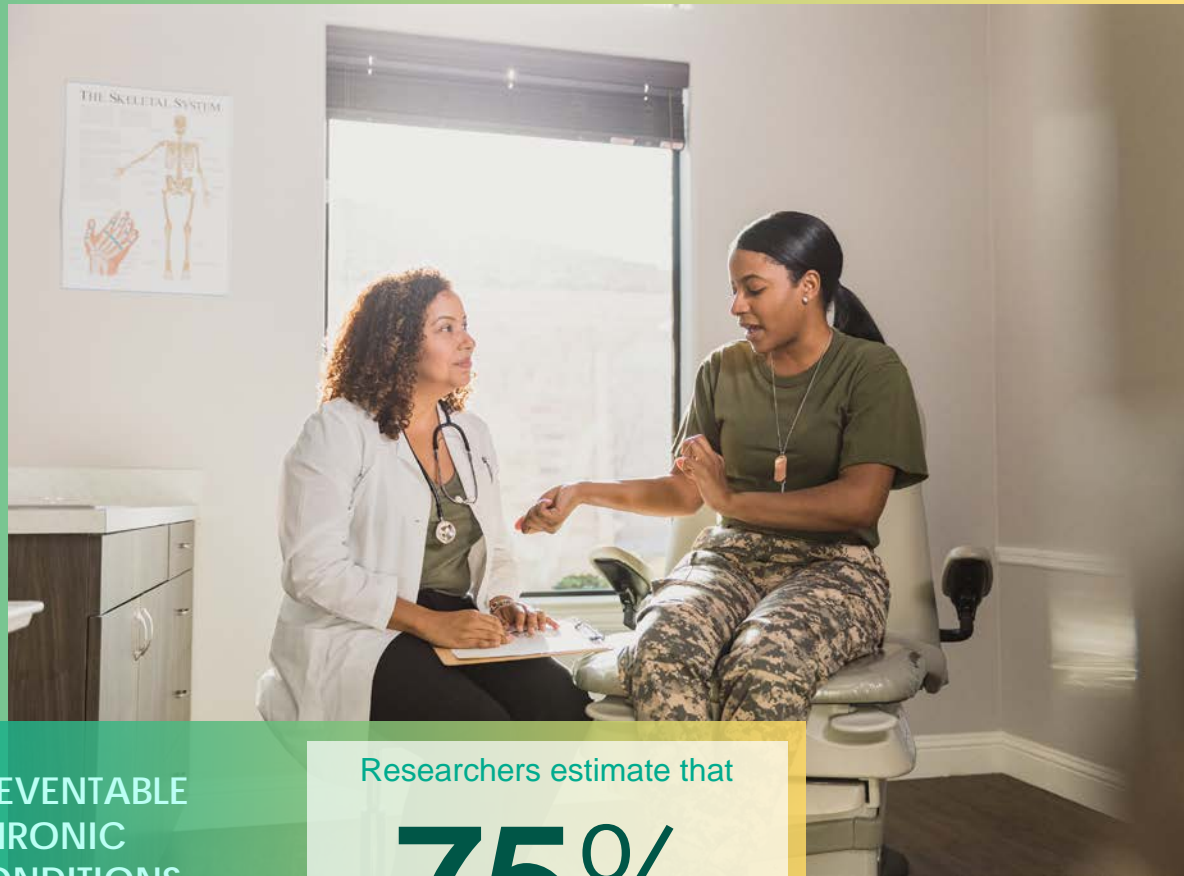
- Regular Visits

- Well Woman, Baby, & Child

- Pregnancy Care

- Vaccinations

- Flu
- Pneumonia
- Measels
- Polio
- Meningitis



PREVENTABLE
CHRONIC
CONDITIONS

- Type II Diabetes
- Hypertension
- Obesity

Researchers estimate that

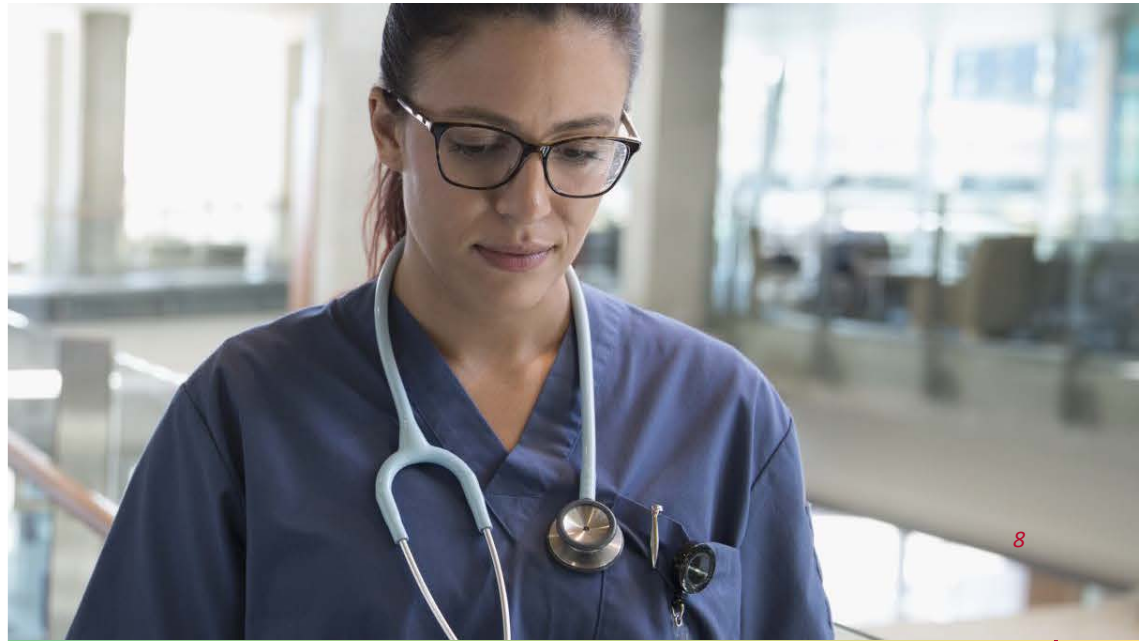
75%

of all healthcare costs stem from preventable chronic health conditions.

PARTICIPATING PROVIDERS

- Network providers
 - Submit Claims for the Member
 - Accept carriers allowed amount as payment in full
- Non-Network providers
 - Not required to submit claims
 - Can Charge much higher rates for services, resulting in the member being responsible for the difference (balance bill)
 - Typically, carriers have a separate out of network deductible and out of pocket that does not count towards your in-network deductible.

CHECK WITH YOUR INSURANCE CARRIER FOR A LIST OF NETWORK PROVIDERS. ALLOWED AMOUNTS MAY VARY BETWEEN INSURANCE CARRIERS.



PHARMACY & SPECIAL PHARMACY TRENDS

- Prices for common generic drugs have dropped by 37% since 2014, while branded drug prices have increased by over 60%. (healthsystemtracker.org)
- Even though less than 2% of the population utilizes specialty drugs, those prescriptions account for a staggering 51% of the total pharmacy spend. (evernorth.com)
- Introduction of new specialty drugs continue to flood the market with no generic options available.

WITH MORE THAN
10,000

AMERICANS AGING INTO MEDICARE DAILY, PROVIDING AT HOME PHARMACY & MEDICAL CARE ALLOWS PATIENTS TO RECEIVE THE TREATMENT THEY NEED IN THE COMFORT OF THEIR HOME.





NAME BRAND VS. GENERIC PRESCRIPTIONS

Generic drugs are less expensive because generic manufacturers don't have the investment costs of the developer of a new drug. New drugs are developed under patent protection.

Q: What are generic drugs?

A: A generic drug is a copy that is the same as a brand-name drug in dosage, safety, and strength, how it is taken, quality, performance, and intended use.

Q: Are generic drugs as safe as brand-name drugs?

A: Yes. The FDA requires that all drugs be safe and effective. Since generics use the same active ingredients and are shown to work the same way in the body, they have the same risks and benefits as their brand-name counterparts.

Q: Does every brand-name drug have a generic counterpart?

A: No. Brand-name drugs are generally given patent protection for 20 years from the date of submission of the patent.

Q: What is the best source of information about generic drugs?

A: Contact your physician, pharmacist, or insurance company for information on your generic drugs. Also, visit the FDA website at [Generic Drugs | FDA](#).

NO-COST PREVENTATIVE RX

MEDICATION COVERED AT \$0 TO YOU

Call the Customer Service number listed on your ID card to find out what drugs are covered at no cost share under your plan.



- Your health plan may include certain prescription and over-the-counter (OTC) preventative medicines, as a benefit of membership, at no cost to you when you use a pharmacy or doctor in your health plan's network.
- There is no co-pay, deductible or coinsurance, even if your deductible or out-of-pocket maximum has not been met.
- Coverage for these medicines can vary according to the type of plan you are enrolled in.
- Age limits, restrictions and other requirements may apply.



TELEHEALTH & SMART TECH

Telehealth lets your doctor provide care for you without an in-person office visit. Telehealth is done primarily online with internet access on your computer, tablet, or smartphone.

Virtual visits are growing in popularity. Though in-person office visits may be necessary in certain cases, there are many benefits of telehealth care.

- Limited physical contact reduces everyone's exposure to illnesses
- Virtual visits ensure you get health care wherever you are located – at home, at work or even in your car
- Virtual health care tools can shorten the wait for an appointment
- Increased access to specialists who are located far away from your hometown



Research found that the pandemic substantially increased the use of virtual-care visits and urgent-care facilities, which reduced emergency room (ER) visits, resulting in cost savings.

The average cost of an ER visit can be close to **\$1,900**, while a visit to an urgent-care facility is closer to **\$165**.



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THANK YOU!

QUESTIONS?

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following the
presentation, call

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