Agenda

- OVCT Member Healthcare Interest & Potential Eligibility
- Healthcare Plan Opportunities
- Other Related Information
- Summary/Conclusions & Next Steps
### OVCT Member Interest & Potential Eligibility

#### 34 OVCT Member Organizations Expressed Healthcare Insurance Interest & Have Eligible # of Employees With a Total Population of 1,807

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**TOTAL EMPLOYEES:** 1,807
Healthcare Plan Opportunities
Multiple-Employer Healthcare Plans

• **Captive Healthcare Insurance** – is one type of Multi-Employer Healthcare Insurance
  - A captive insurance plan is a form of health insurance in which a group of businesses unites to form their own independent “insurance company.”
  - **Reduced Costs** - by pooling together with other employers, even small business can gain the *economies of scale*, which make it possible to purchase a group plan at a discounted rate.
  - **Stability** - renewal rate is tied to your company’s history and individual claims rather than an industry benchmark, your captive program can stabilize year-to-year rate increases.
• **Customization** - access to coverages that would otherwise be unavailable or too expensive to obtain in the commercial marketplace.
“Private Captive Plan” - Blend of level-funding, self-insurance, PPO & reference based pricing
- Similar but different than Association Health Plan or MEWA (Multi-Employer Welfare Arrangement)
- Employer groups join together and share the advantages of being self-insured without the stand-alone risk
- 5 PPO & 2 HDHP Medical Plans and Ancillary Plans (Dental/Vision/Life Insurance/Disability)
- Provider for San Antonio’s The Nonprofit Council (TNC)

OVCT options:
- Establish own customized plan OR be part of TNC with OVCT name plate
- Could start with being part of TNC and become independent in future years
- 90 – 180 days launch time
- Premium Rate Sharing: Employer minimum 50% of least costly plan premium; Employee pays balance
- No Minimum Participation / Commitment Rate – if part of TNC
- For Employers with 5 or more employees (generally works best for organizations with 5 – 300 employees)
Catto & Catto Partners

- **Catto & Catto LLP** – Broker for included insurance products. Educate affiliates on the program, facilitates underwriting, policy issues and enrollment acts as the first line of defense for any eligibility or claim issues that arise post-implementation.

- **Focus Health** – Focus is the marketing company that established the background insurance arrangement.

- **Gerber Life Insurance** –
  - Facilitates all underwriting,
  - Shares first-dollar risk in the health insurance plan, and
  -Writes the stop-loss coverage

- **PHCS** – *this is the network of facilities and doctors the health plan utilizes. Through the reference based pricing (“RBP”) model, effectively all facilities are considered “in-network”. Doctors are tied to the very large PHCS network.*

- **Ameritas** – Dental and Vision Insurance

- **Optum** – Pharmacy Insurance

- **Sherpaa** – Tele-Medicine Provider

- **HST** – negotiates and reprices facility claims through the reference based pricing model

- **Lucent Health** – TPA that facilitates the consolidated billing program & receipt, processing, and payment of claims to the plan

- **Partners Bank of CA** – this is the banking institution that manages all affiliate trust accounts.
Details:

- Rates above are a blended average of current nonprofit customers in the captive (i.e. not teaser rates). Final rates for each affiliate will be determined upon underwriting.
- In order to obtain underwritten rates, an affiliate must have at minimum 5-employees enrolled.
- Rates for affiliates are tiered based upon underlying risk factors to preserve the competitive nature of the program.
- Underwriting is accomplished via either an online personal health questionnaire (ideal, for the most competitive pricing), or through historical claims data.
- There are seven different plan options available, five standard PPO and two HDHP's. Each affiliate may choose up to three to offer to employees.
- The network of physicians is currently PHCS (a network owned by MultiPlan) [https://www.multiplan.com/webcenter/portal/ProviderSearch?SiteId=84451](https://www.multiplan.com/webcenter/portal/ProviderSearch?SiteId=84451).
- Facilities (hospitals, surgery centers, etc.) are paid off a multiple of Medicare (commonly referred to as ‘reference based pricing’). Net effect is that virtually all facilities are considered in-network.
- Pharmacy benefits are provided through Optum.
- All billing/claim services are handled through Lucent Health.

Actual Premiums Depends Upon Underwriting
• **Enrollment Period** – *available any time* for new member organizations

• **Underwriting** – can be done *without* initially making Catto & Catto as agent of record for new member organization

• **Liability** - none to member organization except for payment of set premiums

• **Fees:**
  - Compliance/ERISA: $675 one time cost
  - Basic Life Insurance: 3 tiers starting at $2.70/month/employee
  - TNC Fees – sliding annual subscription ($110 - $1,000) based upon member annual budget
  - COBRA handled with *no* additional costs

• **Stability** - in two years only one agency has exited the program

• **Account Manager** - Catto & Catto Acct Manager for OVCT: Tina Burger (tentative)
Catto & Catto Client Sampling - Nonprofits
G&A Partners

- Founded in 1995; one of largest PEOs in US

**PEO Provider**
- Payroll Service Required
- Minimum 5 employees; 50% participation rate
- Optional Services: Healthcare, H/R Support, Safety, etc.

**Medical and Ancillary Plans (Dental/Vision/Life Insurance/Disability)**

- BCBSTX Master Health Plan used for healthcare plans
  - 14 Plans: 8 PPO, 3 HMO, 3 HDHP

**Sample Client Profile**
- 5 employees for $15K/year
- Full HR, Payroll, Benefits Admin, and Risk & Safety
- Saved client $32K on Health Insurance
Actual Premiums Depends Upon Underwriting
G&A Partners

Service offering

G&A Partners provides people, processes and technology to address employers’ needs at every stage of the employee lifecycle, from hire to retire.

2019 Austin Business Awards

Best in class CX award (08/21/2019)
### Catto & Catto / TNC

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<tr>
<th>Organization</th>
<th>Contact</th>
<th>Position</th>
<th>Employees</th>
<th>Enrolled</th>
<th>Enrollment</th>
<th>Support Materials</th>
<th>Claims</th>
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<td>58</td>
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**Averages**

- Enroll/Materials Scores - as result of limited time available due to end of year
- Moving to Open Enrollment this year

**Total Average = 9.3**

### G&A Partners

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**Averages**

- 9.7 | 8.3 | 9.0 | 9.0

**Total Average = 9.0**
Other Related Information –
Re-imbursements & Savings Approaches; Subsidies
Healthcare Plan – Reimbursement Approach

- **QSEHRA** (Qualified Small Employer Health Reimbursement Arrangement)
  - for employer with less than 50 F/T employees and *no Group Coverage*
  - employees must have health insurance plan that meets minimum essential coverage
  - option to offer employees a pre-tax monthly allowance
    - up to $429.17 per single employee
    - up to $870.83 per employee with family
  - *Eliminates Federal Subsidy*
  - *Note: Group-Coverage HRA available without above restrictions for employers with Group Coverage*
QSEHRA – Setup Process

1. Pick a start date.

2. Set a cancellation date for your group policy - if one is in place. *NOTE*: Employers can use HRAs integrated with group policies to reimburse employees for medical expenses not covered by the group plan (e.g., deductibles, co-pays, etc.).

3. Confirm who will be eligible.

4. Determine a budget and set allowances.

5. Establish legal plan documents.

6. Communicate your new benefit to employees.

7. Provide resources to help employees buy individual health insurance.

8. Follow all QSEHRA deadlines.

https://www.peoplekeep.com/blog/how-to-set-up-a-small-business-hra-qsehra-in-8-easy-steps
Healthcare Plan – Savings Account Approach

- HSA (Health Savings Account)
  - Tax-advantaged account for individuals under high-deductible health plans (HDHPs) to save for medical expenses that HDHPs do not cover
  - The money is tax deductible when you put it in. For 2019, the HSA contribution limit is $3,500 per year if you’re single and $7,000 per year if you have a family. If you’re 55 or older, you can make an additional $1,000 “catch up” contribution
  - Your earnings grow tax-free
  - You can take the money out tax-free if you use it for qualified medical expenses
  - There’s no ‘use it or lose it’ policy

- Health Savings Account can set up your:
  - Banks
  - Brokers and financial advisors
  - Credit Unions
  - Insurance Companies
HSA – Setup Process

1. Determine plan eligibility and contributions
2. Create a Section 125 plan
3. Manage contributions and tax documentation

- Both employers and employees can contribute to an HSA, and there are several benefits of using an HSA for each group.

  - For employees: Employee contributions to an HSA are paid before tax, allowing them to cover their out-of-pocket costs with pre-tax dollars. An HSA is connected to a specific individual, not their job. Unused money in employees’ accounts can roll over year to year, potentially growing over time, and can earn tax-free interest.

  - For employers: All employer contributions to employee HSAs can be used as an income tax deduction for your small business. Employers also will not have to pay for payroll taxes on the pre-tax contributions of employees. The lower premiums of an HSA-compatible HDHP for employees may mean reduced cost-sharing for the employer.

- Employees can still setup (with a Bank, Brokers and financial advisors, Credit Unions, Insurance Companies) and have and contribute to a HSA on a tax-advantaged basis even the employer doesn’t offer one as part of the benefits package

https://www.ehealthinsurance.com/resources/small-business/how-to-set-up-an-hsa-for-your-employees
Texas Subsidy (based upon income) for Employer Health Plans

• Benefit:
  - Pays 1/3 of Employee health insurance premium up to $110/month
  - Based upon Texas Legislature funding every 2 years; currently until mid-2021

• Requirements
  - Member Office must be located in Bastrop, Burnet, Hays, Harris, Milam, Travis or Williamson County (employee can live anywhere in Texas)
  - Member organization of 2 – 50 employees
  - Earning $49,960 per year or less from business
  - Premiums can be from any licensed carrier providing group insurance
  - Individual & faith based health insurance plans not eligible
  - Cannot be covered by Medicaid or Medicare Part B
  - Only for Employee – not for dependents
  - 3 month launch time
Summary/Conclusions & Next Steps
Summary/Conclusions

Healthcare Plan Solutions

1. **Catto & Catto** - probably the most viable healthcare plan solution for One Voice Central Texas (OVCT) with existing proven track record with The NonProfit Council in San Antonio.

2. **G&A Partners** - offers healthcare plan solution for those OVCT member organizations that are interested in an *outsourcing* PEO (Professional Employer Organization) relationship.

Reimbursements & Savings Approaches; Subsidies

1. **QSEHRA** (Qualified Small Employer Health Reimbursement Arrangement) - option to offer employees a pre-tax monthly allowance to pay for healthcare insurance

2. **HSA** (Health Savings Account) - tax-advantaged account for individuals under high-deductible health plans

3. **TexHealth Subsidy** – subsidy up to $110/month for member organization employees
Next Steps

• **Meeting Discussion**

• **Communication to all OVCT Members**
  - *OVCT members who are interested can follow up to get more info and go through underwriting process to get exact costs*
  - *Depending upon interest, we can schedule vendor meetings to get more info*
Thank You!

Joe Iannello
Leadership Austin
One Voice Central Texas
Executive Fellow
jwiannello@gmail.com
908-727-3019