



Arthur J. Gallagher & Co.  
BUSINESS WITHOUT BARRIERS™

# 2016 Cultural Alliance Benefits Presentation

NOVEMBER 10, 2015



# 2016 Cultural Alliance Meeting Agenda

- 1 Introductions
- 2 Gallagher Benefits Survey and ACA Update
- 3 Medical and Dental Overview
- 4 Voluntary Benefits
- 5 Wellness
- 6 Individual Marketplace
- 7 Property Casualty Announcement
- 8 Questions



greater  
philadelphia **cultural**  
**A**LLIANCE

# Today we will hear from ...

## Gallagher

Tamra Walton  
Amber Ball  
Courtney Jackson  
Matt Medeiros  
Ellen Ross  
Jeff Ohlstein  
Joe McCarthy

## Insurance Carriers

Steven Hyland, Independence  
Shelly Campo, Aflac



“Our member benefits,  
events and professional  
development services help  
nonprofits thrive.”

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**Maud Lyon, President  
Cultural Alliance**

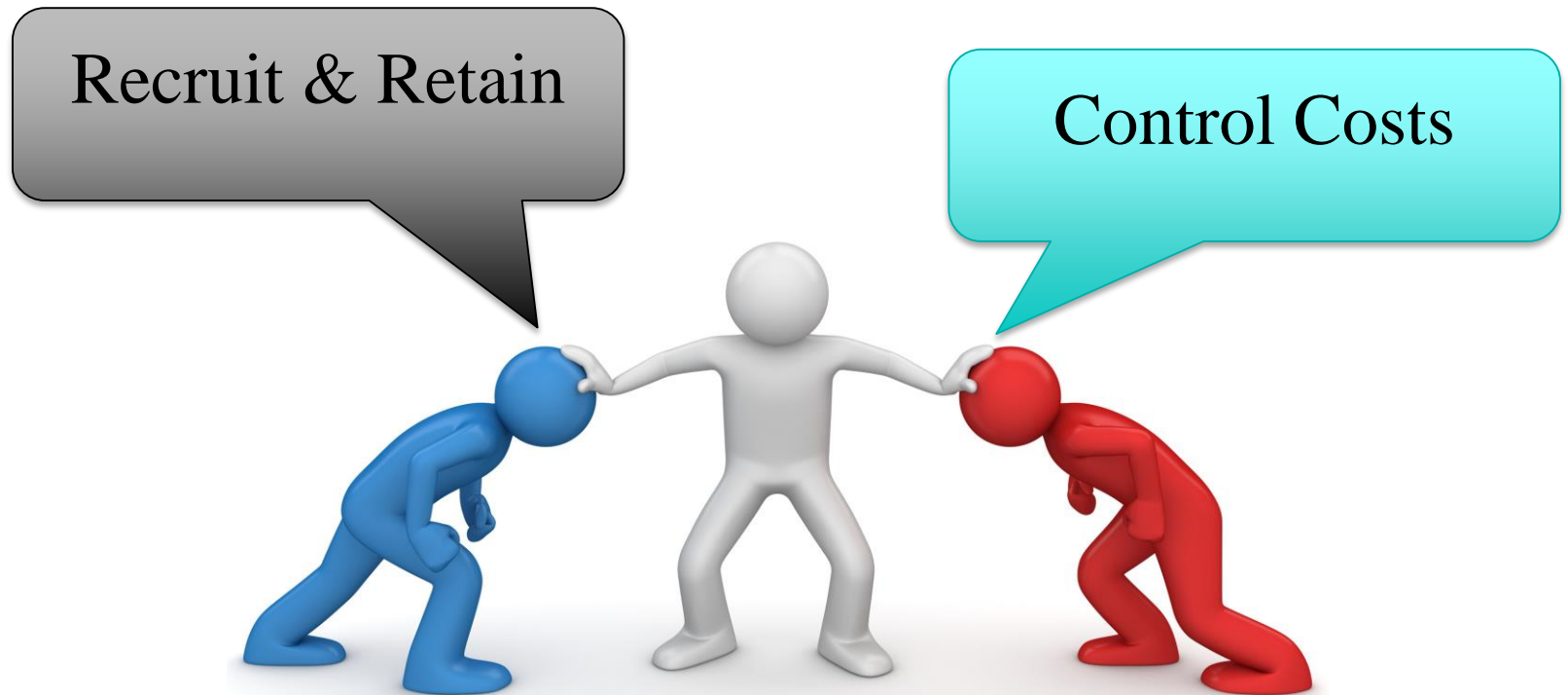


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# 2015 Benefits Strategy & Benchmarking Survey

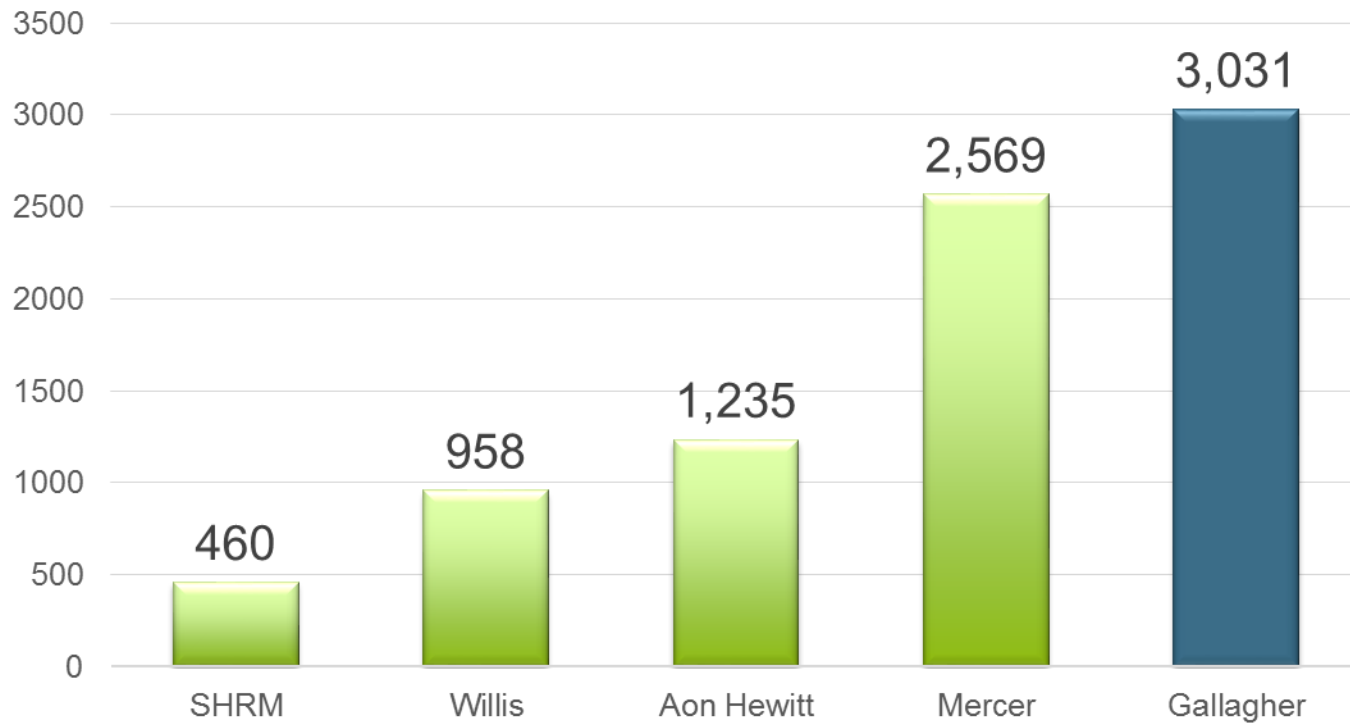
GALLAGHER BENEFIT SERVICES, INC.

# Organizational Tension














# The Gallagher Survey

## Survey Participation

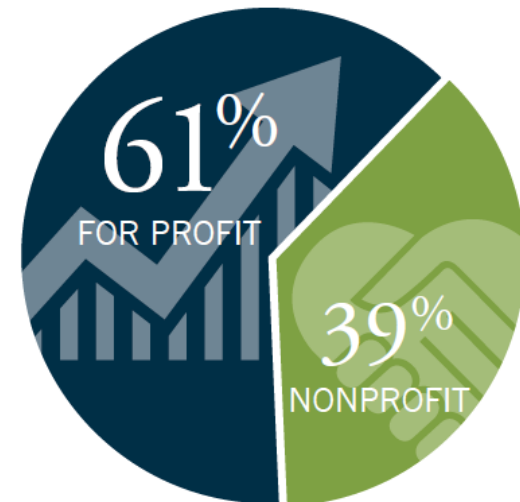


# Participant Profile

## Top Industries by Participation

Manufacturing		408
Education		353
Public Entity		329
Healthcare		304
Wholesale/Retail		237
Business Services		229
Construction		195
Financial Services		180
Social Services		157
Technology		136
Hospitality/Restaurant Entertainment		103

## Ownership Structure



# Organizational Challenges



## Greatest challenges

- 1 Controlling employee benefit costs
- 2 Attracting and retaining a competitive workforce
- 3 Maintaining/decreasing overall operating cost



# Benefits Spend

Total annual benefits cost per eligible employee<sup>2</sup>



Under \$5,000	<b>17%</b>
\$5,000 to \$9,999	<b>43%</b>
\$10,000 to \$14,999	<b>21%</b>
\$15,000 to \$19,999	<b>10%</b>
\$20,000+	<b>10%</b>

<sup>2</sup> Due to rounding, percentages do not total 100%.

# Benefits Spend

Increase in the health plan premium at the most recent renewal



Decreased	<b>10%</b>
0–1.9%	<b>18%</b>
2–3.9%	<b>12%</b>
4–5.9%	<b>16%</b>
6–7.9%	<b>11%</b>
8–9.9%	<b>10%</b>
10–11.9%	<b>7%</b>
12% or more	<b>16%</b>

# Cost Containment Strategies



**75%**

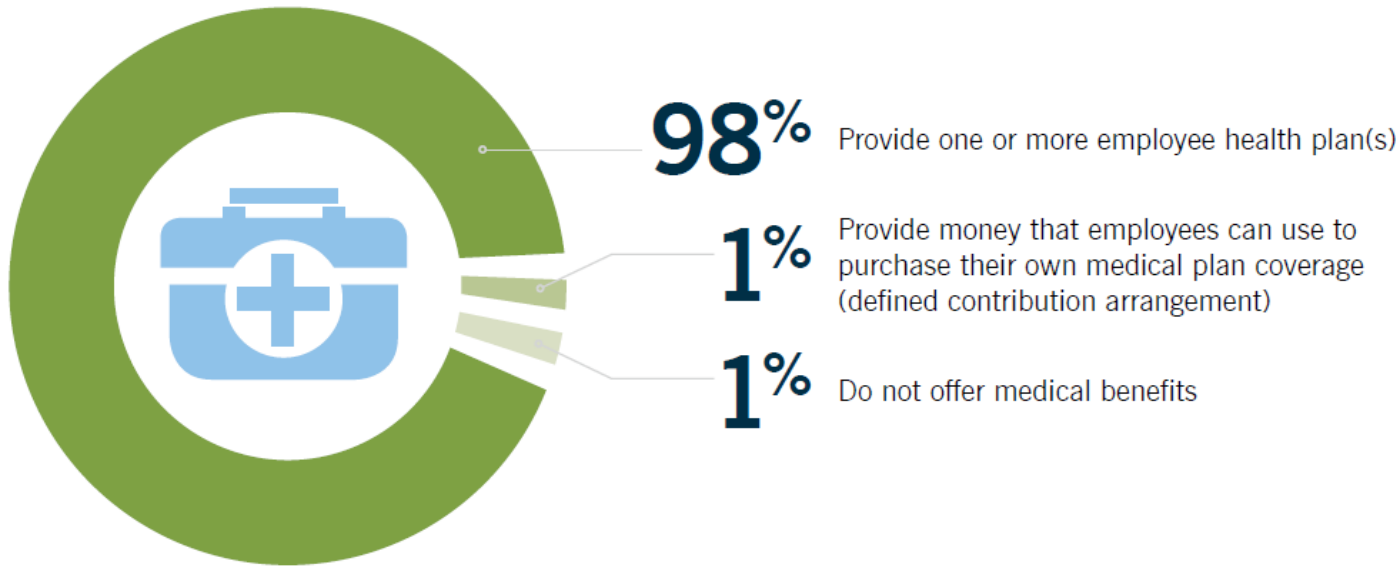
Require contributions to employee-only plan

**67%**

Increased employee share of cost through plan design changes

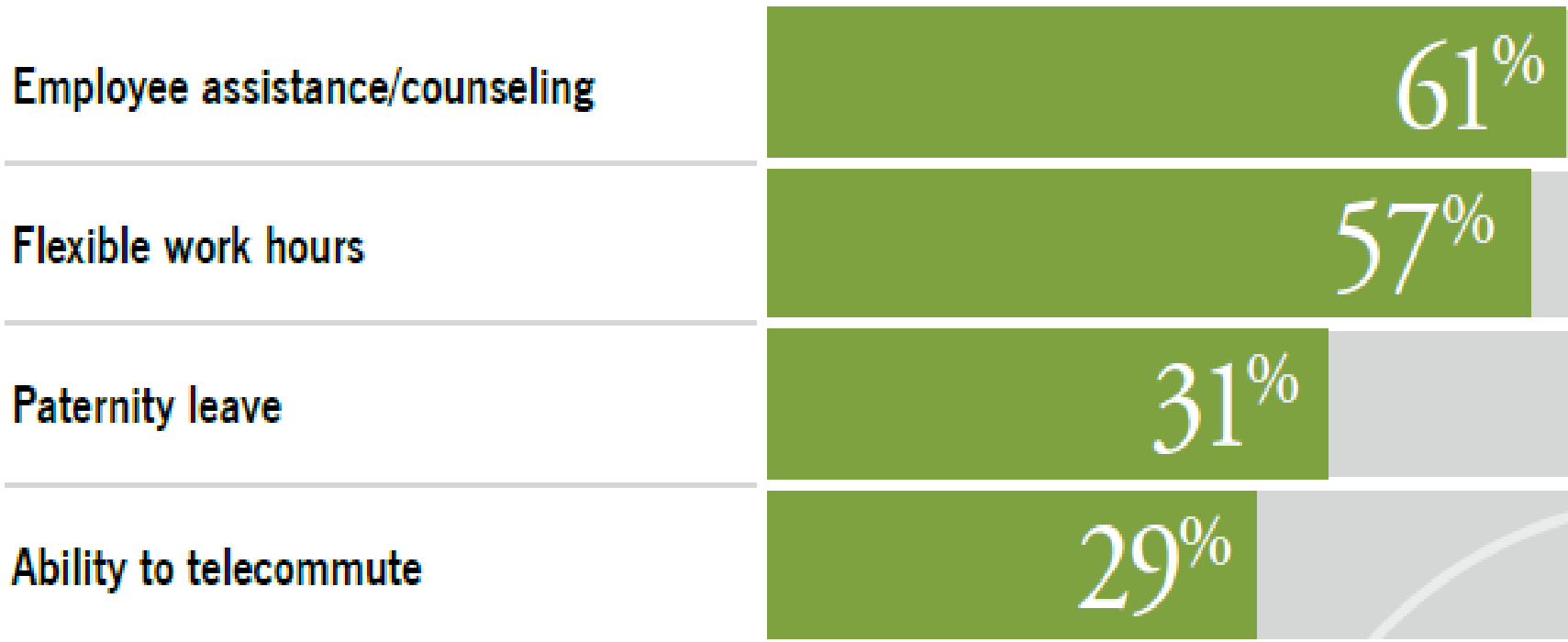
# Medical Defined Contribution

How medical benefits are currently handled



**23%** May move to a defined contribution healthcare arrangement in the next three years

# Work-Life Balance



# What is your strategy?



**91%**

**Do not** have a written total rewards or strategic benefits plan with measurable objectives

# Affordable Health Care Act

## Update

Small Group Definition remains 2 to 50

- Products still age/smoker status rated

Reporting Requirements

- Section 6055
  - Must offer Minimum Essential Coverage (MEC)
  - IBC provides required reporting for fully insured
- Section 6056
  - **Applicable Large Employers (ALEs)** with 50+ Full Time **Equivalent Employees (FTEs)** must offer **Affordable Coverage** to FTEs
    - Form 1095C goes to employees
    - Form 1094C goes to the IRS
    - Most ALEs will use a reporting vendor

# Affordable Health Care Act

## Update

### Fees:

- Paid by IBC for fully-insured plans
  - PCORI fee
  - Transitional Reinsurance Fee
  - Annual Covered Entity Fee

### Cadillac Tax (2018):

- 40% Annual Excise Tax imposed on employer-sponsored health coverage that exceeds:
  - \$10,200 for individual coverage
  - \$27,500 for family coverage





VIBRANT

# MEDICAL & DENTAL OVERVIEW

# Medical Overview / IBC

## 2016 Metallic Plans

- Platinum
- Gold
- Silver
- Bronze

## New Names

- Preferred / Copays
- Classic / Deductible & Coins.
- Secure / Deductible & Copays
- Essential / HDHP without HSA



# 10 New Plans

## Gold

- PPO (1)
- DPOS (1)
- HMO (1)

## Silver

- PPO (2)
- DPOS (2)
- HMO (2)
- HSA (1)



# Vision Enhancements

## Enhanced HDHP Benefit

- Vision benefits no longer subject to the plan deductible

## Contact Lenses

- Now available with pediatric benefit



# New Specialty RX Cost Share

- Member pays 50% to \$1,000/RX
- Member cost accumulates to Out of Pocket Maximum
- Updates sent to impacted members



# Renewal Process

## Renewal Package

- Shows 2016 plan most similar to current plan
- Includes alternatives

## HMO Bronze Basic

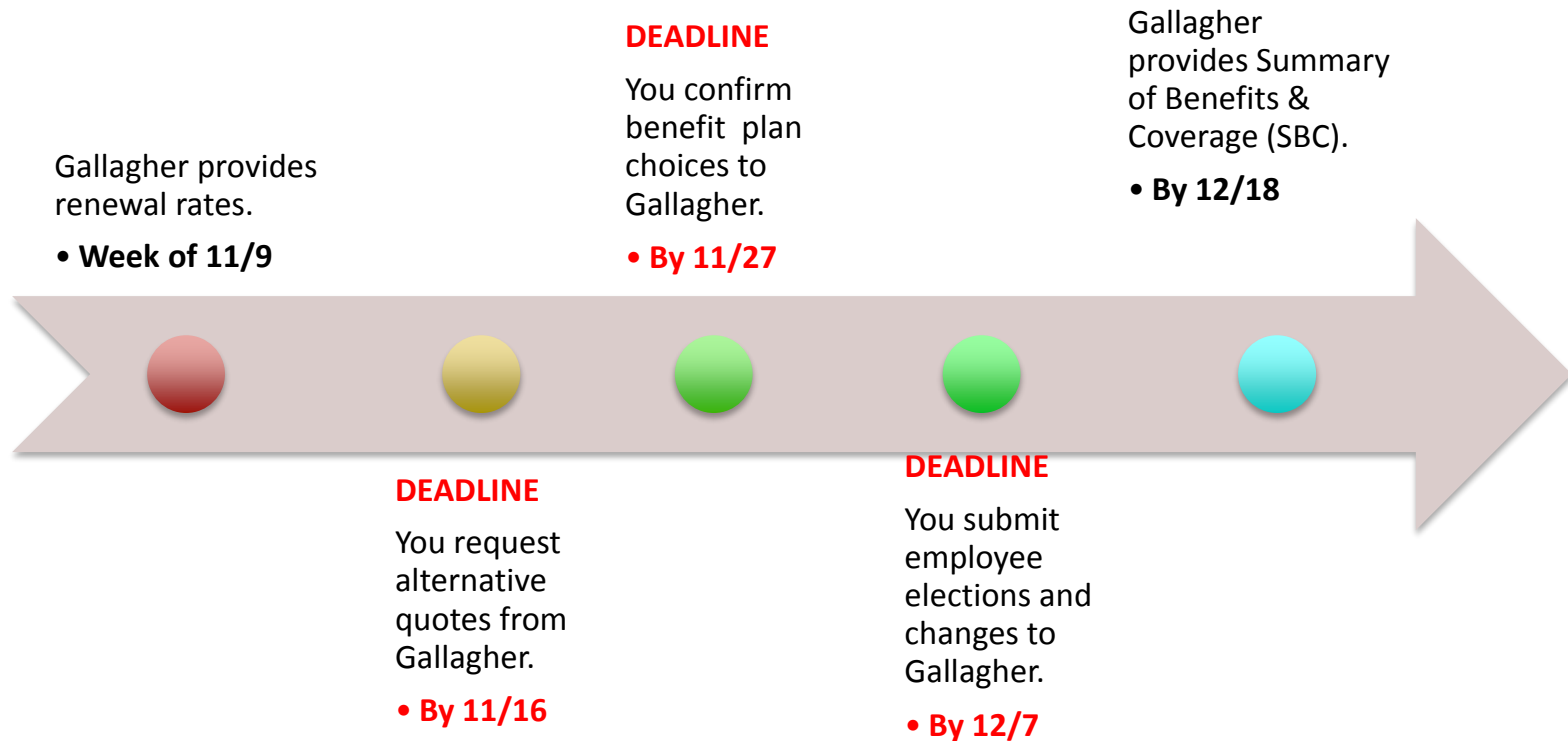
- Replaced by HMO Bronze Essential

## Default

- If specific changes are not requested, plans will default to 2016 plan most similar to current plan



# Benefit Renewal Timeline (Deadlines)



Thank you for helping us to adhere to the dates on this timeline.  
Your key deadlines are noted in red.

# Dental Overview

## United Concordia Dental



- *Good news!* No rate increase!
- No dental plan changes
- Using Paranet Network
- This is the only time to make enrollment changes



# Dental Benefits Summary

For the Cultural Alliance – High Option

Benefit Category	CONCORDIA FLEX PLAN	
	In-Network	Non-Network
<b>Class I – Diagnostic/Preventive Services</b>		
Exams	100%	100%
Bitewing X-rays		
All Other X-rays		
Cleanings & Fluoride Treatments		
Sealants		
Palliative Treatment		
<b>Class II – Basic Services</b>		
Basic Restorative (Fillings, includes Posterior Resins)	100%	100%
Simple Extractions		
Space Maintainers		
Endodontics		
Complex Oral Surgery		
General Anesthesia		
<b>Class III – Major Services</b>		
Nonsurgical Periodontics	50%	50%
Surgical Periodontics		
Repairs of Crowns, Inlays, Onlays, Bridges & Dentures		
Inlays, Onlays, Crowns		
Prosthetics (Bridges, Dentures)		
<b>Orthodontics for dependent children to age 19</b>		
Diagnostic, Active, Retention Treatment	50%	50%
<b>Included Plan Features</b>		
Preventive Incentive®	Class I services do not count toward your annual program maximum	
Pregnancy Benefit	<ul style="list-style-type: none"> <li>● Covers 1 additional cleaning during pregnancy</li> <li>● Covers 1 additional periodontal maintenance</li> <li>● Scaling and root planing</li> <li>● 4 periodontal surgery procedures</li> </ul>	
Smile for Health®--Wellness <sup>3</sup> <i>Provides periodontal care for people with certain chronic medical conditions: diabetes, heart disease, lupus, oral cancer, organ transplant, rheumatoid arthritis and stroke</i>	<ul style="list-style-type: none"> <li>● Covers 1 additional periodontal maintenance per year and all are covered at 100%</li> <li>● Scaling and root planing are covered at 100%</li> <li>● 4 periodontal surgery procedures are covered at 100%</li> </ul>	
<b>Maximums &amp; Deductibles (applies to the combination of services received from network and non-network dentists)</b>		
Annual Program Deductible (per person/per family)	None	
Annual Program Maximum (per person)	\$1,000 Excludes Class I & Orthodontics	
Lifetime Orthodontic Maximum (per person)	\$800	

# Dental Benefits Summary

For the Cultural Alliance – Low Option

Benefit Category	CONCORDIA FLEX PLAN	
	In-Network	Non-Network
<b>Class I – Diagnostic/Preventive Services</b>		
Exams	100%	100%
Bitewing X-rays		
All Other X-rays		
Cleanings & Fluoride Treatments		
Sealants		
Palliative Treatment		
<b>Class II – Basic Services</b>		
Basic Restorative (Fillings, includes Posterior Resins)	100%	100%
Simple Extractions		
Space Maintainers		
Endodontics		
Complex Oral Surgery		
General Anesthesia		
<b>Class III – Major Services</b>		
Nonsurgical Periodontics	Not Covered	Not Covered
Surgical Periodontics		
Repairs of Crowns, Inlays, Onlays, Bridges & Dentures		
Inlays, Onlays, Crowns		
Prosthetics (Bridges, Dentures)		
<b>Orthodontics</b>		
Diagnostic, Active, Retention Treatment	Not Covered	Not Covered
<b>Included Plan Features</b>		
Preventive Incentive®	Class I services do not count toward your annual program maximum	
Pregnancy Benefit	● Covers 1 additional cleaning during pregnancy	
<b>Maximums &amp; Deductibles (applies to the combination of services received from network and non-network dentists)</b>		
Annual Program Deductible (per person/per family)	None	
Annual Program Maximum (per person)	\$1,000 Excludes Class I	



CREATIVE

# VOLUNTARY BENEFITS

# Voluntary Benefits

## Why offer Voluntary to Employees?

### Short Term and Long Term Disability

- Tax free benefits for off the job injuries or illness
- Customize plan to individual needs
- Coverages maternity leave

### Critical Illness

- Helps pay costs associates with Cancer, Heart Attack, Stroke, and End-Stage Renal Failure
- Payments made in lump sum amount based on illness
- Policyholder does not have to miss time from work to be eligible for benefits



# Voluntary Benefits

**Aflac pays Policyholders directly unless you decide otherwise, regardless of any other insurance in effect.**

Claims usually paid in 4-6 days

Helps with:

- Leftover medical expenses like deductibles and copays (including those for prescription drugs)
- Travel related expenses for treatment in distant medical centers including airfare, hotels and meals
- Everyday living expenses like mortgage (or rent), money for groceries and utility bills...even household help or babysitters










# INSPIRING **WELLNESS**

# Wellbeing Programs



**42%**  
Have a wellness  
program

Top five challenges related to  
wellness planning

- 1 Participation 
- 2 Budget 
- 3 Cultural shift and reluctance to change 
- 4 Geography and/or multiple locations 
- 5 Communication 

# Total Wellbeing



Physical



Financial



Emotional



Career



Community



# Healthy Lifestyle Solutions

## Online Resources

- Provider & Hospital Finder
- Symptom Checker
- Treatment Cost Estimator
- Health Trackers
- Medical Encyclopedia
- Video Player
- Recipes



**ibxpress** *Manage your health care online*

Our portal allows you to review your benefits, account information and completed claims in one secure, convenient location.

[Register now](#) ▶▶▶▶  
to see all of the benefits  
ibxpress has to offer.

The advertisement features a computer monitor displaying a website, a keyboard, and a mouse. A blue arrow points from the 'ibxpress' logo to the monitor.

Visit the member portal at  
[www.ibxpress.com](http://www.ibxpress.com)

Powered by WebMD

# Healthy Lifestyle Solutions

## Online Tools

- Wellness Profile
  - Receive your health score
  - Personalized action plan
- Personal Health Record
  - Tracks medical history
  - Includes Dr. visits, personal health data, prescription information
- Digital Health Assistant
  - Online Coaching Guide
  - Assists in setting goals, choosing healthy activities and tracking progress



# Healthy Lifestyle Solutions

## Online Tools

- Message Boards
  - Way to receive health advice from medical professionals and peers
  - Over 50 board discussion to choose from
- Health Information
  - Appears on WebMD home page
  - News articles, videos and more based on member needs



# Healthy Lifestyle Solutions

## Reimbursements for Healthy Behaviors

- Fitness
  - Up to \$150 back in fitness center fees
  - Complete 120 workouts/365 day period
  - Once completed, can submit for reimbursement online
- Tobacco Cessation
  - Up to \$150 back upon completion of your choice of proven tobacco cessation programs
- Weight Management
  - Up to \$150 back when you complete a weight loss program; such as Weight Watchers, Weight Watchers Online or hospital based program

### Blue 365

- Discounts and special offers on health-related products and services at [www.blue365deals.com/IBX](http://www.blue365deals.com/IBX)
- Discounts fall into 6 categories: Financial Health, Fitness, Healthy Eating, Lifestyle, Personal Care and Wellness
- I.e. Weight loss coaching programs, hearing aids, workout apparel, pedometers and fitness club memberships.

### Care Management

- Health Coaches work as case managers to coordinate your health care needs
- Use when you have a chronic condition or are expecting a baby
- Helps you prepare for a doctor's visit, find the right treatment or answer questions about your care.
- Coaches are registered nurses and social workers who are knowledgeable about your IBC benefits.

# Healthy Lifestyle Solutions

## Community Resources

- American Heart Association
  - Wear Red Day February 5, 2016
  - Workplace Walking Program
  - National Walking Day – First Wednesday in April
- American Cancer Society
  - Lee National Denim Day for Breast Cancer Awareness (October)
  - Tools and calculators, Screening Guidelines, Monthly newsletter and information
  - Nutrition and physical activity planner
    - Assessment for your worksite
    - Receive suggestions for improvements
  - Monthly content subscription service
    - Sign-up to receive monthly toolkits based on monthly health observance



# Healthy Lifestyle Solutions

## Introducing Arthur J. Gallagher Wellbeing Website

- Launch date January 2016
  - 12 month wellbeing website
  - Turnkey solutions
  - Monthly topics and ways to promote through information
    - January: New Years Resolutions
    - February: Heart Month
    - March: Nutrition Month
- No Cost for Gallagher Clients
  - Monthly Categories of Information
    - Newsletters
    - Posters
    - Toolkit/Challenge/Activity
    - Outside organization resource
  - Additional section for other resources





INNOVATION

# INDIVIDUAL MARKETPLACE

# Introducing GoHealth

## Individual Insurance Solutions



Compare hundreds of plans & rates



Get fast and accurate tax subsidy estimates



Work with licensed agents to find the right plan



Complete enrollment without going anywhere else



A great solution for the self-employed, part time, temp or contract workers.

**COMING SOON!**





STABILITY

# PROPERTY CASUALTY

# Comprehensive Insurance Solutions

## Our specialized P&C Programs

- **Fine Arts Insurance:** Access to all fine arts markets worldwide with broadest “all risks” coverage. Flexible options: valuations and definitions of insured property
- **Property & Casualty Insurance for Cultural Institutions:** Incorporates coverage enhancements, competitive pricing & risk management services
- **Worker Compensation:** Create dividend programs from larger risks; proactive loss control and coverage for Volunteers
- **Directors and Officers:** Network of carriers with preferred coverage options and competitive pricing

# Comprehensive Insurance Solutions

## Our specialized P&C Programs



- **Professional E & O, Media and Cyber:** Our professional staff understands the exposure in this new interactive world and how it relates to cultural institutions
- **Art Title Insurance and Authenticity:** Whether required for an acquisition or traveling exhibition we can help place this coverage
- **Special Events, Travel Accident, K & R, Performances, Cancellation Insurance, Traveling Shows:** Our team can create insurance programs that cover the diverse activities for members of the Cultural Alliance

# Awards & Recognition



2015  
BEST PLACES  
TO WORK



# Compliance Services

- Technical bulletins
- Newsletters on key benefit issues, emerging legislation, regulations and other government requirements
- GBS HealthCare Reform Update publication

## Client Communications



- Access to regulatory experts to ask questions
- Access to GBS Webinars and local seminars

## Client Education



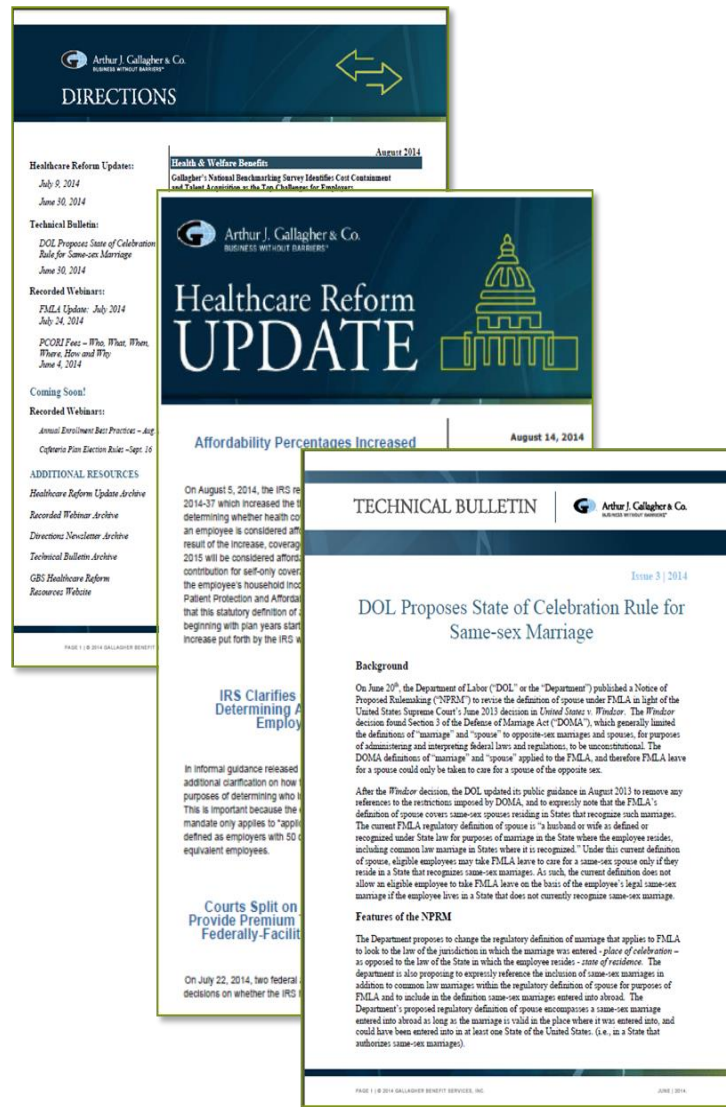
- Provide SBC for health plan
- Provide information on local, state and federal mandates
- Form 5500 and SAR preparation if applicable
- Review plans for overall compliance with ERISA, HIPAA, FMLA, COBRA

## Client Services



- Healthcare Reform Toolkits
- Healthcare Reform FAQs
- Timeline year-by-year quick reference guide of major provisions of PPACA

## Healthcare Reform





Collaborative  
**QUESTIONS**



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# Thank You

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