



## Benicomp Advantage

*The leader in providing the full spectrum of Health Promotion Plans!*

### **Why are Companies Looking at Wellness Incentives?**

Many companies are responding to the recent health care reform legislation and evaluating the impact wellness incentives can have on health plan costs. The expense and administrative costs associated with participation based wellness plans have not stemmed the tide of increased health costs. Being fair to those making responsible lifestyle choices like not smoking, exercising and proper nutrition and creating the proper support to those that do not is out in front of the national spotlight. Preventing illness is less expensive than treating chronic disease.

Benicomp created the wellness incentive space and was the pioneer in developing the first and only fully insured deductible reimbursement plan. In fact, the Senate version of the Health Care Reform bill specifically identified the Benicomp Advantage Plan. ***We currently support nearly 200,000 members in all our plan offerings with improved health and lowering costs.***

There have been a variety of studies that indicate that 70% of all health care spending is on conditions that are lifestyle driven and reducible with improved lifestyle. Developing proper health incentives for your organization will reduce your health care expenditures, improve productivity and create a healthier and happier workforce.

### **My company has a unique culture. Are there many options available to meet the specific needs of my company?**

Benicomp Advantage is really a strategy that offers employers and employees the ability to custom design a health promotion plan that creates a culture of health. We help you create the strategy that aligns your company goals with your employees needs.

You can weigh the benefits of a soft launch that has a lower return on investment and is less complex to administer to a more aggressive plan that will guarantee immediate saving with significant health promotion incentives.

We don't stop at just providing incentives! We recognize that those employees identified with health risks through the screening process need assistance in developing a care plan. Our Predictive Health Management program provides the resources and services that will support your employees on the road to a healthier lifestyle.

### **What does Benicomp Advantage do?**

We work with you to design the most appropriate wellness incentive and health promotion plan for your organization. Based on the plan developed we will create the financial model to determine your return on investment. Many employers create a 3-5 year plan that can transition from one level or type of incentives to another.

Once the plan is designed we work with you to implement and monitor results. This all starts with health screening that we manage for you. You will know how the health of your entire population is changing over time and what the impact is on your health expenditure trend.

**For the first time an employer can actually create a strategy to improve employee health risk. This translates into a higher level of productivity and profitability and the potential of improved employee compensation. Let's stop sending money to the health insurers and providers for services that can be controlled through improved lifestyle.**

### **Is it legal to provide wellness incentives?**

Yes. With the Final HIPAA Non-Discrimination Wellness Program Regulations issued, employers have legal ways to reward their employees based on the outcomes/results of a health screening. In additional Health Reform actually promotes health incentives by expanding the size of incentives in 2014. HIPAA regulations have evolved over the past decade, beginning in 1996 with the requirement of uniform coverage and nondiscrimination to the 2001 interim "bonafide wellness rules" which introduced exceptions for wellness plans. In 2007, the final wellness rules were issued providing a distinction between incentives for participation and incentives "contingent upon the satisfaction of a health standard". In 2008, the FAB 200802 was issued which delivered a checklist for Wellness Programs. The newest Non-Discrimination regulations let employers take 20% of their healthcare costs and tie them to the results of wellness tests. Rather than just measuring participation in a wellness program, employers can design incentives that reward employees who actually achieve a desirable or healthy benchmark. There are obviously some rules to follow, and that's where our expertise will help you! When an incentive or penalty is contingent upon the satisfaction of a health standard, it must:

- ☐ Be designed to promote health and wellness
- ☐ Not exceed 20% of the total cost of coverage offered
- ☐ Be available to all "similarly situated individuals"
- ☐ Offer an appeals process
- ☐ Provide "reasonable alternatives" when appropriate
- ☐ Offer reassessments at least once per year

### **What does Human Resources need to do?**

Benicomp provides all the support tools online and offline to educate an organization's employees. These include print-ready payroll stuffers and posters as well as your personalized online wellness portal which will link your employees to wellness education through proven programs. The contact point for the group (typically the Benefit Consultant) will complete the group presentations to educate your employees on the program. All employees will sign up for screenings online in your customized, secure Benicomp site. Paper registrations can also be accommodated. Human Resources staff should be prepared to explain the program to an employee. Additionally, Human Resources will need to provide key information to customize the plan including group census and employee benefits information. The company should also supply at least one person at large onsite screening events to help facilitate the flow of people and keep things on schedule. A Benicomp representative is available as necessary. Benicomp handles all the tracking and results

### **Who are the organization's contact points?**

You will have multiple contact points for your Wellness programs including a toll-free Benicomp number, online support and an assigned Benicomp Account Manager.

### **How do I get everyone engaged?**

Employee education is important to the success of the program. Employees should understand that wellness is the focus. Benicomp provides all the resources for success. The first step will be a detailed group meeting where the Strategic Business Partner (typically the Benefit Consultant) will present the program. At that time, questions will be answered and examples shared. Next, employees will receive information and see posters explaining and encouraging them to sign up for their screenings. The screening process is discreet, fast and easy to understand. Each employee receives a results

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letter with a comparison of their results to National Institute of Health standards. Benicomp has designed the industry's first Predictive Health Management program to assist your employees toward better health. With the right program design we experience over a 90% participation rate. Some employers might be concerned that employees will question the sharing of personal information and/or feel this type of program is unfair. This program is in compliance with the HIPAA Privacy regulations that have been provided. The screening and reporting is secure and private. The employer will know that a testing area was passed or failed but not the specific quantifiable results i.e. they may know an employee did not pass the blood pressure measure but they will not know if it was missed by 2 or by 50. On the fairness issue, we have found the sentiment of employees is changing as to what is "fair" for employers to have their employees pay for health coverage. As a matter of fact, 53% of U.S. adults think it is fair to ask those with unhealthy lifestyles to pay more for their health insurance (up from 37% only three years ago). Statistics abound pointing to the fact that our poor lifestyle choices create demand for health care services which in turn escalate the costs associated with employers offering a health plan. Healthy employees do not want to carry the cost of their unhealthy counterparts, especially when it's lifestyle driven, i.e. smoking, eating poorly etc. These facts have created an industry centered on wellness of employees. Programs that help employees understand their conditions, change poor habits, and begin healthy lifestyles have begun to appear.

### **Who are your competitors?**

At this time, there are no competitors that offer our entire spectrum of wellness plans. Our fully insured Deductible Reimbursement Policy is patent pending. We are the only organization that can offer a company to move across and incorporate multiple incentive strategies. Because we have a fully insured and state approved policy we are the only one that can guarantee immediate savings. Typically, competitors in the "wellness" arena include

health coaching vendors, hospitals or physician practices that offer tools to help employees improve their health. Some provide a positive employee education experience, however, they are not equipped to offer an appeals process or reasonable alternatives when a goal is missed. Most do not reach employees that are new or that miss an annual wellness screening either. Most wellness solution providers welcome a relationship with Benicomp. We do not directly provide the things that they do and they do not provide what we offer. Most who offer incentive support will tell employers to indemnify their company and consult their own attorney regarding legality. Benicomp will stand behind our plan design and the program administration. If an organization wants to offer a "results" based program, Benicomp can offer a proven appeals process and nationally recognized, leading reasonable alternatives, making Benicomp the right choice.

### **What different types of plans are available through the Benicomp?**

- **Deductible Reimbursement Plan**
  - o **Fully Insured**
  - o **Self Funded**
- **Deductible Reimbursement Accounts**
- **Health Incentive Accounts**
- **Community of Health Plans**
- **Health Improvement Plans**
- **Premium Contribution Plans**
- **Predictive Health Management**
- **Variable Plan designs – 4 D Plans, Co-Pay Plans**
- **HRA deposits/contributions**
- **Know Your Numbers and Predictive Health Management**
- **Wellness Tool Kits – Monthly Wellness Communications and Resources**
- **Spousal Inclusion Plans**

### **Can HSA contributions be determined by biometric Outcome based results?**

Yes! As long as the employer contributions to the Health Savings Account are through a qualified cafeteria (Section 125) plan. The amount deposited to each employee's H.S.A.

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account can vary based on the results of their health assessment.

### **How does the 20% Wellness rule apply to the Administration of the plans available through Benicomp?**

Benicomp provides illustrations, consulting, and ensures compliance within each of the plans being reviewed and implemented. The 20% rule stating that an incentive or penalty that is contingent upon the satisfaction of a health standard may not exceed 20% of the total cost of coverage being offered is strictly enforced.

### **What about spouses and dependents?**

Benicomp has never included dependent children in the result measurements but often coordinates the inclusion of covered spouses. Spouses can either participate in the full screening process or just start with providing self-reported lifestyle information such as tobacco use. Benicomp's proposal will illustrate the most prevalent plan designs, but this is ultimately an employer's decision.

### **Can you screen remote employees? What about new hires?**

Challenges like new employees, small locations and work-at-home participants are not an issue for Benicomp. Through dozens of local, regional and national partnerships, Benicomp will dispatch screeners for as few as one person. The use of kits for individuals to take to local retail clinics, laboratories or their own physician has also been accommodated.

### **What if an employer is sued for discrimination?**

The laws regarding result-based wellness programs are fairly new. Benicomp's entire focus is compliance with all applicable laws. Because Benicomp has state approval to issue policies this provides protection to both us and you. Benicomp maintains appropriate levels of

professional liability insurance that protects employers in the event of a sustained loss that stemmed from their use of Benicomp or their implementation of a Benicomp designed incentive plan.

### **Will Benicomp guarantee savings?**

**YES!** The evidence suggests that people will often change behaviors in order to avoid financial penalties. Nevertheless, it's difficult to illustrate how many heart attacks are prevented, how many cancers were avoided and how many hospital stays did not occur because someone took control of their health. The difference with Benicomp is that employer savings are not solely tied to these items, but we measure the impact to the health plans by measuring total claims spend, reduction on large case claims and the engagement in predictive health management. We go beyond the incentive to achieve savings.

### **What if an Employer wants more of a "Reward" and less of a "Penalty"?**

Benicomp always seeks to present options that reflect immediate Return on Investment (ROI) for employers. This involves cost-shifting or penalizing those who fail the result-based measures. If an employer does not need immediate ROI and wants to lower costs for the healthy instead of raising costs for the unhealthy, they can absolutely build and communicate the plan that way. Benicomp can help design a plan where some pay less and others pay more. Our Predictive Health Services is the catalyst to drive trend.

### **What other flexibility exists?**

It's rather unlimited. Some employers just grade tobacco use the first year. One union negotiated a one-year delay of the BMI penalty. Employers choose which categories are measured, what goal must be achieved to earn a reward or avoid a penalty and what the corresponding reward or penalty is. Benicomp can help design a plan that meets financial and cultural objectives.

### What is included in your setup fee?

- Compliance and legal review
- Plan language/SPD for wellness plan
- Compliance Checklist (Completed DOL FAB 200802)
- Design of Employee Communications: PowerPoint, Plan Overview, Posters, payroll stuffers, emails, etc.
- Assigned Account Manager to guide implementation
- Programming of imports and exports (results and payroll/eligibility files)
- Custom web portal for signup, health risk assessment and screening times.

### What is included in your fees?

*Note: The fee only applies to employees who participate, not all eligible employees*

- Member registration
- Coordination of Biometric Screenings
- Phlebotomy (blood draw), shipping, travel and all screening events from one to several thousand people.
- Laboratory Fees (chem. 17 wellness profile) and nicotine check in blood
- Upload of results to selected Health Risk Assessment
- Printing and Mailing of Member Results
- Administration of all appeals (including accuracy disputes and requests for exceptions due to medical issues)
- Coordination and tracking of all “reasonable alternatives”
- Aggregate reports to employer

#### Depending on plan design:

- Premiums for deductible reimbursements
- Predictive Health Management Services
- Premium Contribution allocations

### Why aren't all companies offering services like Benicomp?

For starters, the laws are new and complex. Benicomp has been on the forefront of the wellness legislation and has unique expertise.

We have also found that most wellness solution providers start with a great idea to get people healthy and then struggle to create ways to get 100% participation. In our approach, we started with the incentive and ways to drive nearly 100% participation and then we use the savings to pay for your wellness program of choice. Our proprietary products and technology is another reason why most companies view us as a strategic partner instead of a competitor.

### Industry Leading Strategies

Benicomp created the incentive space and continues to lead the industry with strategies and analytics that deliver measurable results. Our Predictive Health Management services engage employees with at risk health factors before they become claims. Our actuarial analytics measure the return on investment and impact on claim spend.

*Because we have a fully integrated strategy you can stop offering flavor of the month programs or wellness plans that have no lasting value. Benicomp is a strategy that has impact today and maintains the impact and results for years to come.*

