

Blood and Marrow Stem Cell Transplant:

How to appeal to Self-Funded & Stop Loss markets

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Who is Self-Funded

Percentage of Covered Workers in Partially or Completely Self-Funded Plans

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
3-999 Workers	13%	15%	17%	13%	10%	10%	13%	13%	12%	12%	15%	16%	13%	15%
1,000-999 Workers	51	53	52	48	50	50	53	53	53	47	48	58*	50	52
1,000-4,999 Workers	62	66	66	67	71	78	78	77	76	76	80	80	79	78
5,000 or More Workers	62	72	70	72	79	80	82	89	86	89	88	93	96	93
ALL FIRMS	44%	49%	49%	49%	52%	54%	54%	55%	55%	55%	57%	58%	60%	60%

Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 199-2012

Self-funded plans represent 60% of the private pay market

Post ACA, expectations are worst case= flat growth, best case significant growth with most coming from mid market.

No expectations of declining market size

Self Funded Decision Process

Medical coverage decisions are made prior to an individual case and are based on uniformity

Corporate Decision for entire plan

Plan Document is the governing contract for what the plan pays

- Plan Document is the Master Agreement
- Governed by ERISA
- Employer is Plan Fiduciary
 - Non-Discriminatory
 - Protection of Plan Assets

Self-Funded & Clinical Trials

In 2008 HCC Life offered to all its clients Qualified Clinical Trials coverage at no additional costs

Adoption rate was less than expected

Has grown each year mainly with ASO arrangements

ACA mandates Clinical Trial Coverage for all plans as they renew January 1, 2014 and thereafter

Requires coverage for Routine patient Costs

Phase I, II, III or IV meet the definition

Treatment of Cancer or life-threatening Disease

Clinical Trial setting would not invalidate Routine Costs

Clinical vs Financial Considerations

Should health insurance pay for all costs regardless of result?

- Population Costs
- PCORI
- Is the lowest costs provider is best solution?
 - Quality of Care
 - Preventable Complications!!
- Does the biggest network discount deliver better results?
 - Discount to What?
 - Outliers & Floors

Outcome based Case Rate approach balances the Clinical and Financial Considerations

Clinical vs Financial Considerations

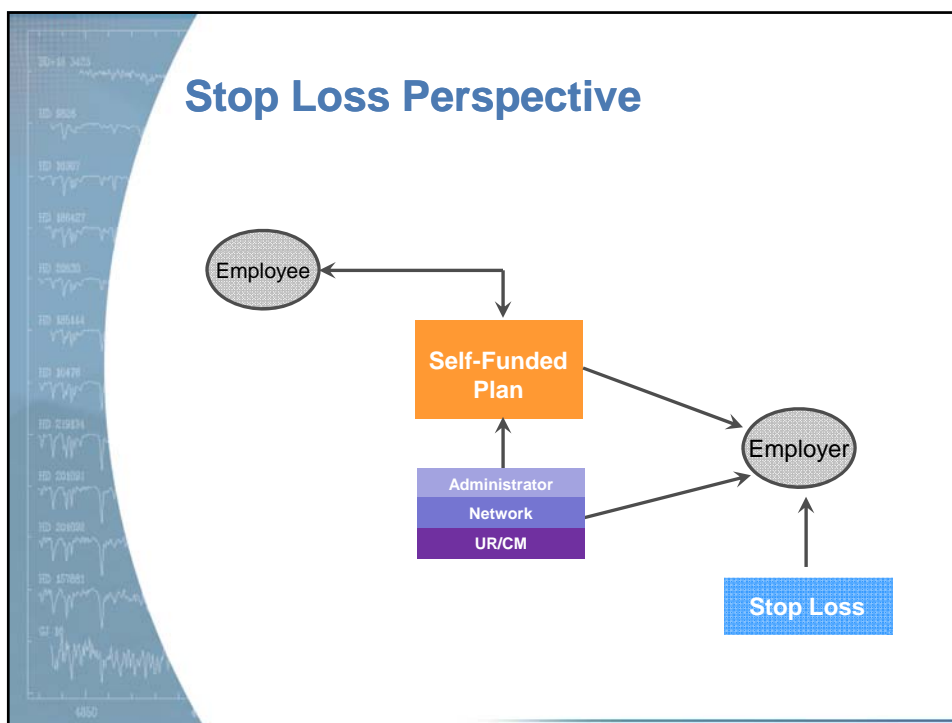
Self Funded Employer's attracted to outcome based case rates

- Set price for procedures (paid in phases)
- Best providers with experience
- Definitive ROI - calculation is different than an Insurer

More Variables to justify outcome, such as
Employee return status
Business Interruption

What is the measurable value of BMT

- Cannot be measured in single year and appeal to Financial reviewers
- Must build the value as a view over time
- BMT prevents ongoing catastrophic care, so measure results in 2, 3 & 5 year periods
- Value of the Match – NMDP services and quality to avoid complications



Stop Loss Perspective

Stop Loss viewed by some as hostile or less than amicable

Stop Loss Contract follows the Plan Document

Network Contracts, Medical Directors review, etc are all secondary considerations to Plan Document

Biggest hurdle is when medical directives from administrator don't mirror the Plan Document

- Acceptable in insured arrangement due to same risk taker
- Different in self-funded due to different risk takers

So who Controls the Plan Document

- Employer
- Administrator (TPA or ASO)
- Broker/Consultant

Best Practices for All

Outcome focused Case Rates

Better than traditional fee for service via a network agreement

Episodic care

- Patient gets best outcome from procedure from experienced medical providers
- Employer gets set case rate without complications (within reason)
- Administrator gets set case rate with fewer transactions (outside of standard process)
- Stop Loss Carrier gets pre-determined costs structure

Messaging

So what is the proper message to multiple parties

That outcome based case rates provide:

"A single case rate for a Transplant that provides superior outcomes with reduced exposure to complications all while protecting plan assets from unpredictable costs".

How to get the message out

- Industry Organizations
AHIP, SIIA, SPBA, NAHU
- Grass Roots to Employers
 - SHRM, EHBC, UCC

