



HOLMES MURPHY®

THINKING AHEAD

THE BUSINESS OF POLITICS IN OUR HEALTHCARE

SEPTEMBER 30TH, 2019

Presented by:

Nataliya Boychenko, MBA, CEBS
Employee Benefits Consultant, Shareholder

nboychenko@holmesmurphy.com

515-223-6904



**NATALIYA BOYCHENKO, MBA, CEBS
EMPLOYEE BENEFIT CONSULTANT/SHAREHOLDER
HOLMES MURPHY & ASSOCIATES**

As a shareholder and key player in Holmes Murphy's Employee Benefits Division, Boychenko is dedicated to providing creative solutions and tools her clients need to design their employee benefit plans. A native of Ukraine and fluent in three languages, she has the skills necessary to communicate and implement employer sponsored benefits and initiatives to diverse organizations.

Boychenko specializes in national accounts healthcare data analysis, healthcare reform and legal compliance, cutting edge wellness programs as well as a full suite of employer sponsored benefit programs. Boychenko is also a Holmes Murphy shareholder.

Boychenko joined the Employee Benefits Division of Holmes Murphy in 2006. Prior to joining Holmes Murphy, she worked for Wells Fargo in Consumer and Business account management where she held a variety of advisory capacities involving life and health, investments and business financial services.

Boychenko is a frequent speaker on Health Care Reform topics at the national & regional industry events. She also enjoys teaching Employee Benefits to the graduate students at Drake University as an Adjunct Professor. Boychenko earned her bachelor's degree in Finance and her Master's in Business Administration at Drake University. In addition, she holds her Certified Employee Benefit Specialist (CEBS), Group Benefits Associate (GBA), and Retirement Plan Associate (RPA) designations.

***WE MAKE A
DIFFERENCE BY:***



DISCLAIMER

Holmes Murphy does not engage in the practice of law, meaning we provide neither legal advice nor legal opinions.

While Holmes Murphy strives to help our clients maintain compliance with all laws relating to employee benefits, the information contained in this presentation is not and should not be construed to constitute legal advice.

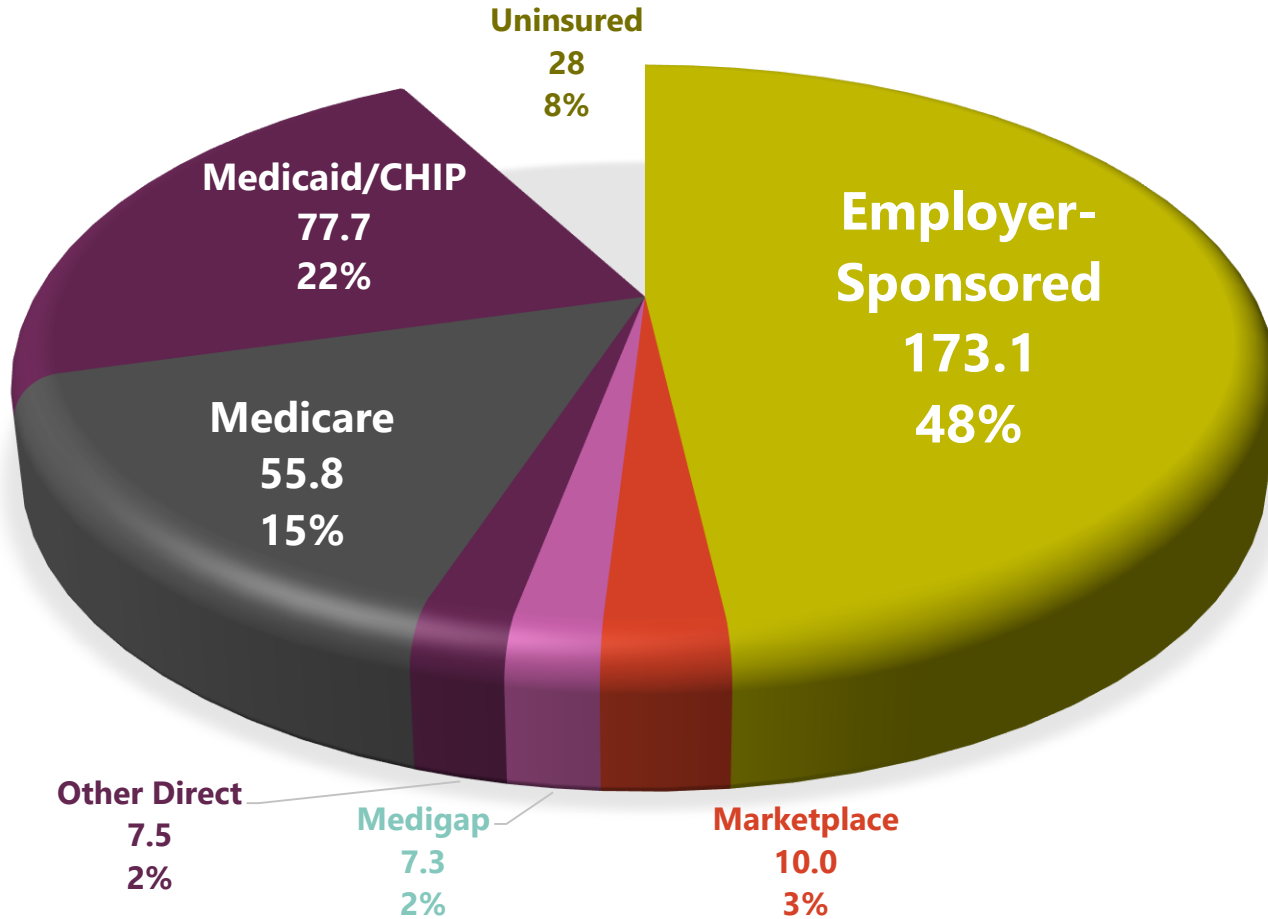


AGENDA

- Healthcare in US economy
- Price discrimination
- Cost trends
- Complexity
- Political landscape



HEALTHCARE ENROLLMENT



U.S. Health Insurance

Public

Private

None

Medicare

Medicaid

Individual
ACA
Subsidy

Individual
No
Subsidy

Employer

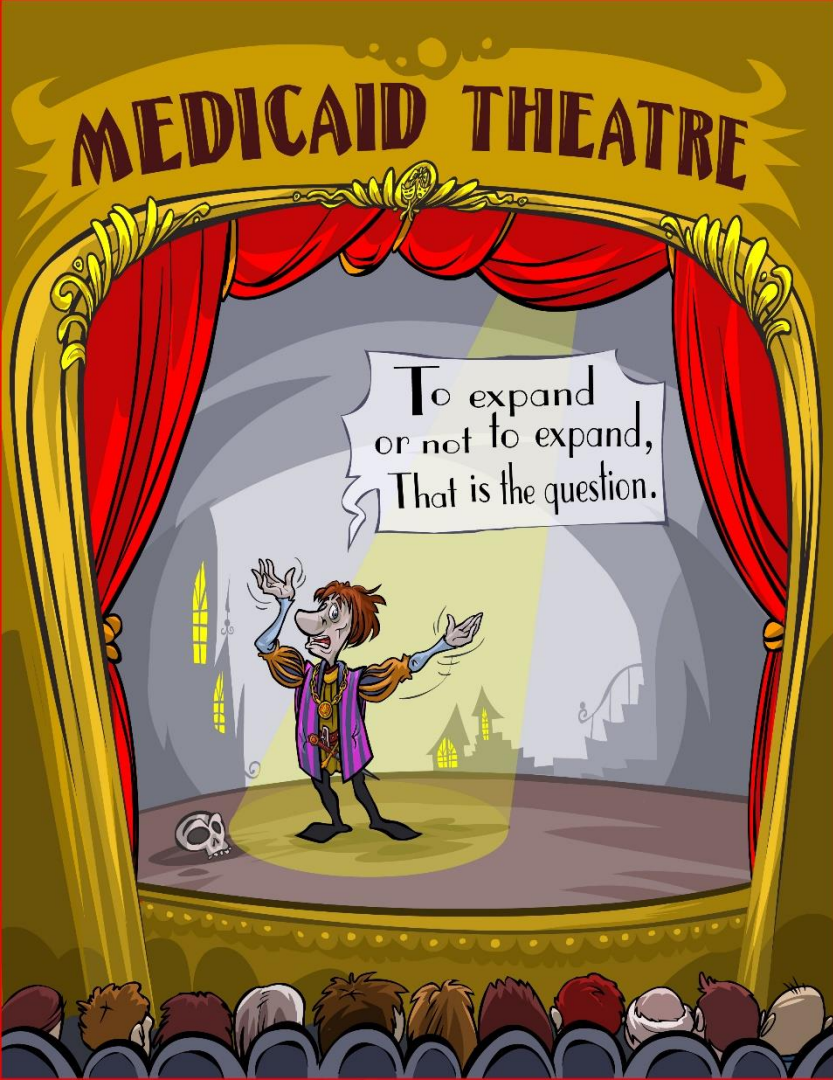


Medicare

86%

3 to 1

2026



Medicaid

14 States
73 Million
59%

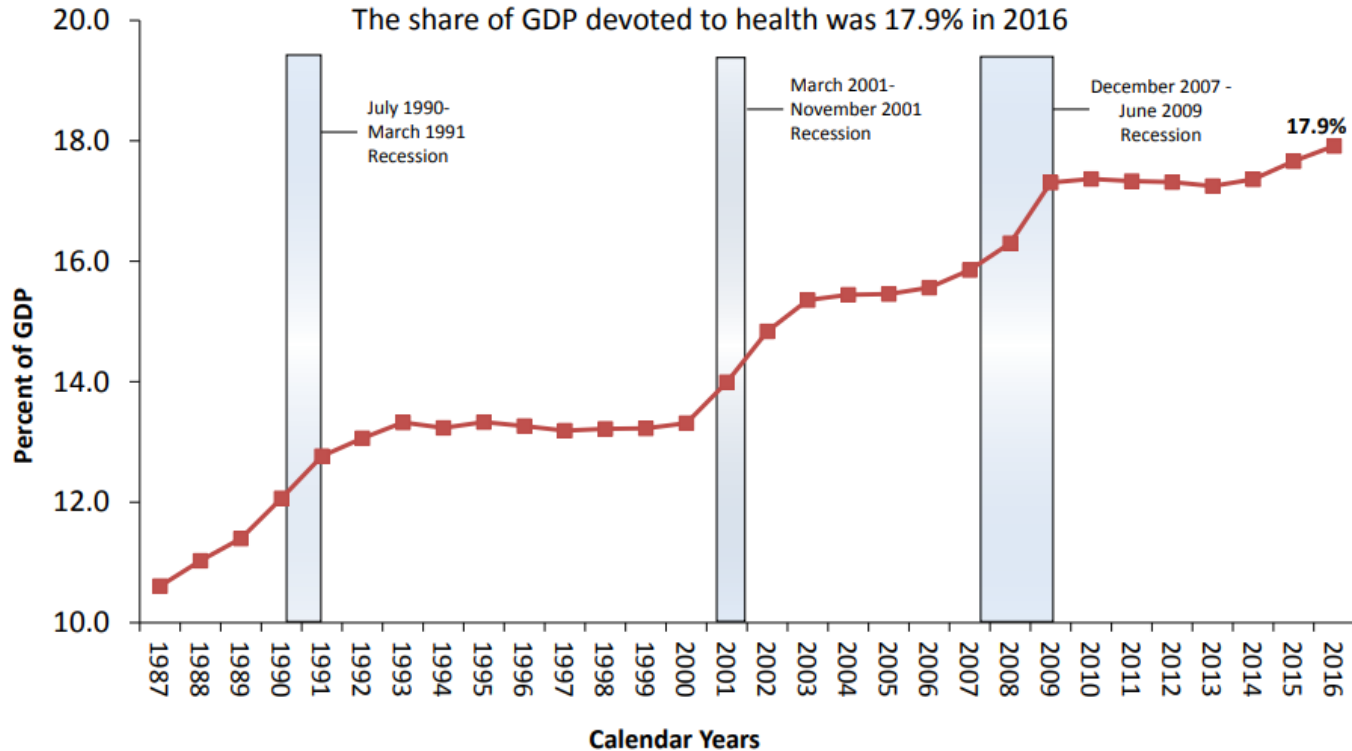


Individual

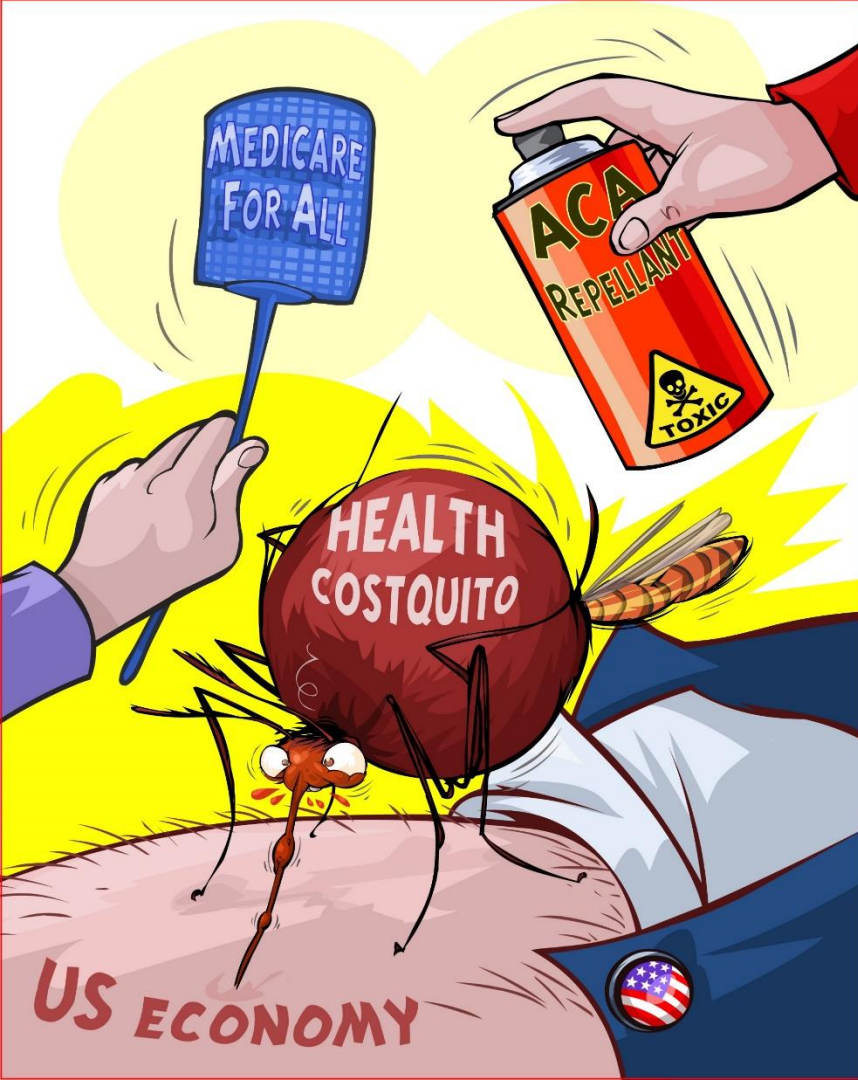
20 Million

86%

National Health Expenditures as a Share of Gross Domestic Product, 1987-2016



SOURCE: Centers for Medicare & Medicaid Services, Office of the Actuary, National Health Statistics Group; U.S. Department of Commerce, Bureau of Economic Analysis and National Bureau of Economic Research, Inc.



Health Costquito

Is the health costquito simply an irritant, or is it the single greatest threat to the American economy?

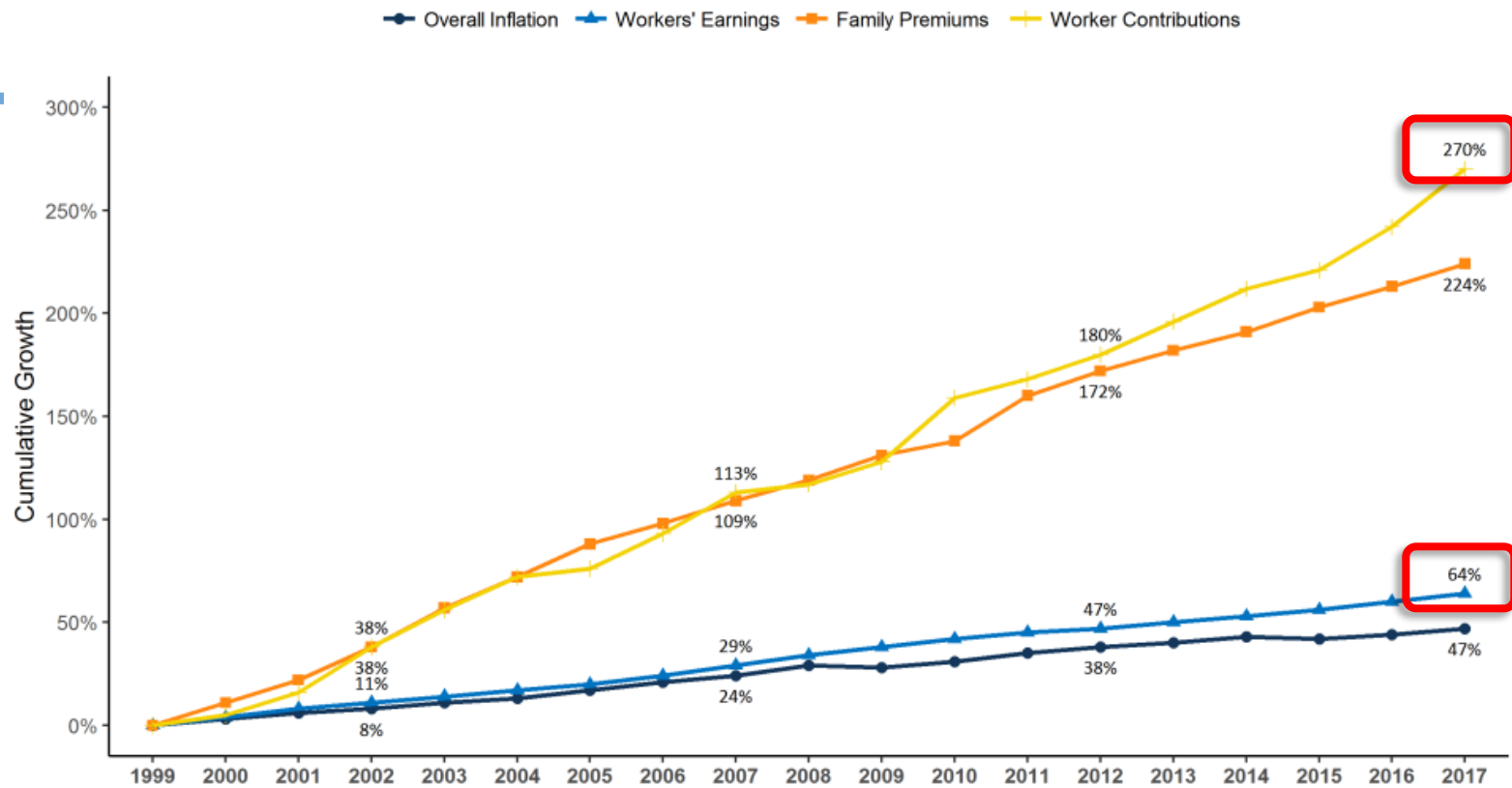


Price Discrimination Quiz

What level of price discrimination in healthcare is ok?

- A. **Unlimited** – *There should be no limit or regulation on health service pricing*
- B. **Limited** - *There should be some balance billing limit to protect consumers*
- C. **None** – *Everyone should pay the same amount for health services*

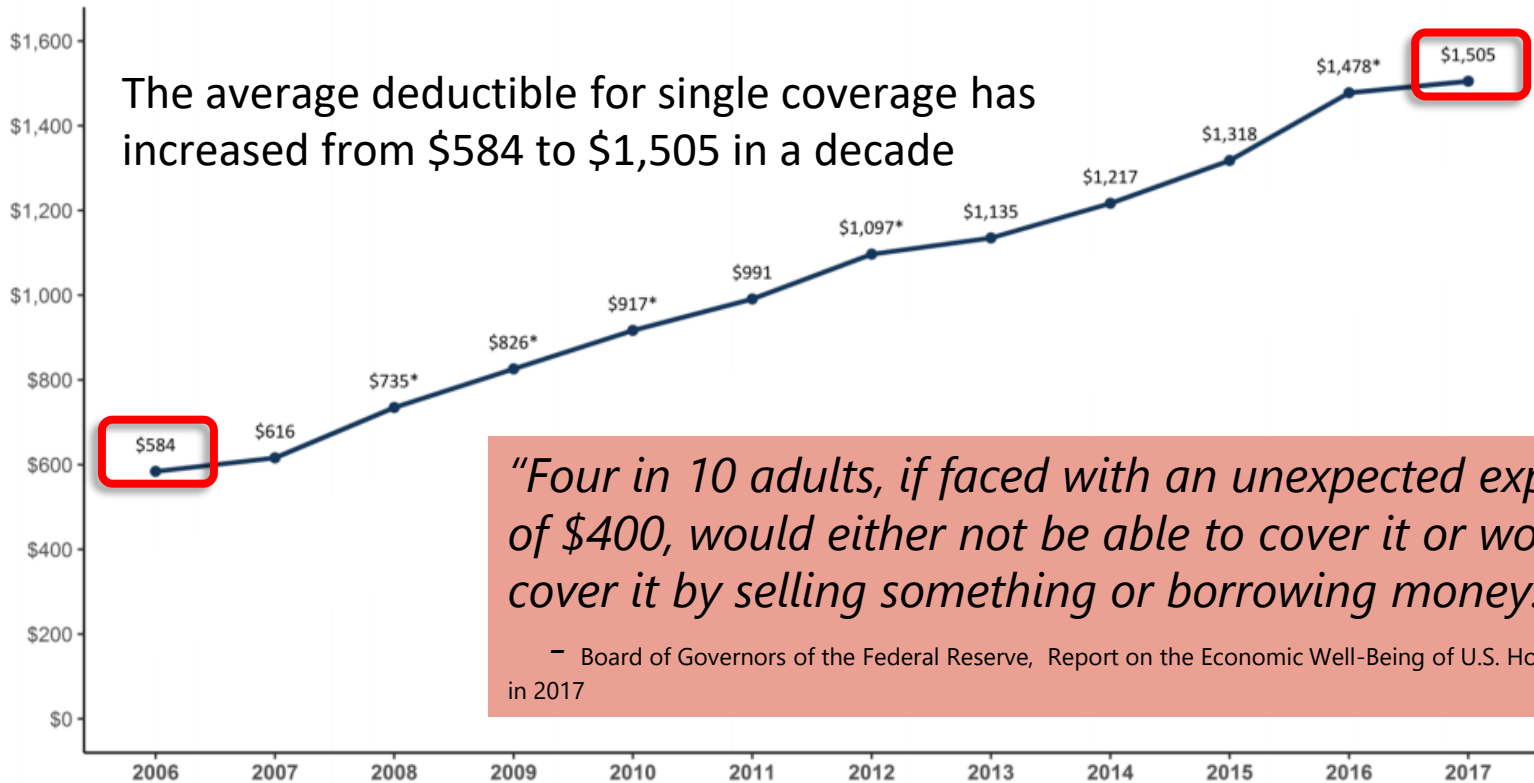
Cumulative Increases in Family Premiums, Worker Contributions to Premiums, Inflation, and Workers' Earnings, 1999-2017



SOURCE: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2017. Bureau of Labor Statistics, Consumer Price Index, U.S. City Average of Annual Inflation (April to April), 1999-2017; Bureau of Labor Statistics, Seasonally Adjusted Data from the Current Employment Statistics Survey, 1999-2017 (April to April).

Average General Annual Health Plan Deductibles for Single Coverage, 2006-2017

— Average Deductible Among Covered Workers Who Face a Deductible for Single Coverage



* Estimate is statistically different from estimate for the previous year shown ($p < .05$).

NOTE: Average general annual deductible is among all covered workers. Workers in plans without a general annual deductible for in-network services are assigned a value of zero.

SOURCE: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2006-2017

Affordable Care Act

REPEALED

**The ACA is Dead.
Long Live the ACA!**



The \$3.7 Trillion Question

Table 2.

Net Federal Subsidies Associated With Health Insurance Coverage for People Under Age 65

Billions of Dollars, by Fiscal Year

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	Total, 2019– 2028
Work-Related Coverage												
Tax exclusion for employment-based coverage ^{a,b}	266	276	293	310	326	343	361	380	426	458	480	3,653
Income tax deduction for self-employment health insurance ^c	5	5	5	5	6	6	7	7	7	8	8	64
Small-employer tax credits ^b	1	1	1	1	1	1	1	1	1	1	1	8
Subtotal	<u>272</u>	<u>282</u>	<u>299</u>	<u>316</u>	<u>332</u>	<u>350</u>	<u>368</u>	<u>387</u>	<u>434</u>	<u>466</u>	<u>489</u>	3,725



Global Brand

SIMPLICITY INDEX 2018-2019

HEALTH INSURANCE
IS LAST ON THE LIST
SURPRISED?



13	Retail/Fashion; clothes
14	Automotive
15	Utilities
16	Telecommunications/Cell phone service providers
17	Travel/Air
18	Fitness
19	Travel/Car rental
20	Travel/Train
21	Media (newspapers, TV, online, mobile)
22	Telecommunications/Cable providers
23	General insurance
24	Social media
25	Health insurance



STATISTICAL
THERMODYNAMICS

MEDIEVAL
LATIN

HEALTH
INSURANCE
BASICS

QUANTITATIVE
ECONOMICS

COMPUTER
PSEUDORANDOMNESS



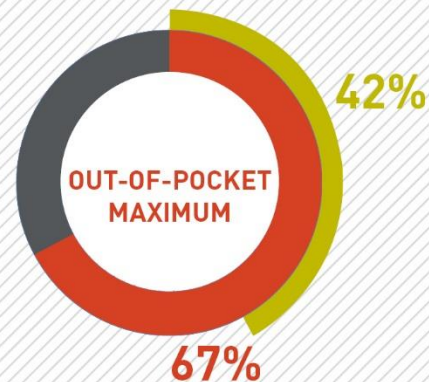
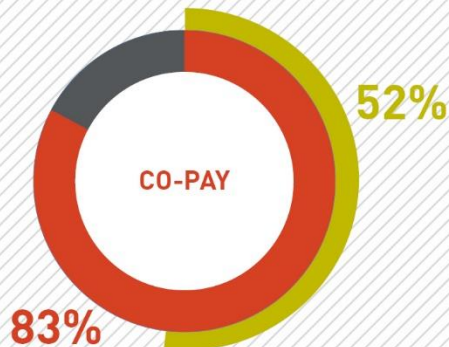
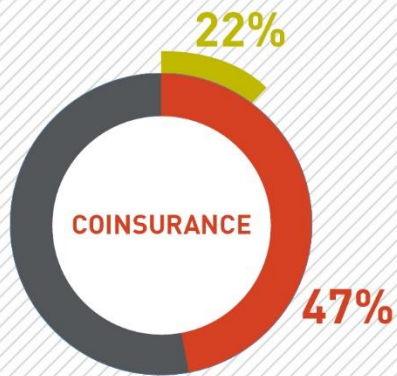
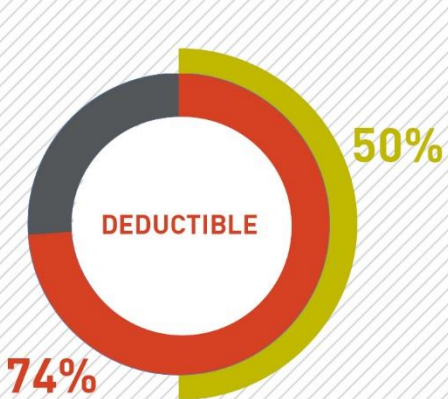
COINSURANCE, CO-PAY, WHO'S CO-CONFUSED?!

THE ANSWER IS
96%
OF AMERICANS!

SADLY, THIS IS CORRECT.
ONLY 4% OF AMERICANS
ARE ABLE TO CORRECTLY
DEFINE THE FOUR
INSURANCE TERMS BELOW.



ON AVERAGE ONLY
36%
OF MILLENNIALS CORRECTLY
IDENTIFIED ANY TERMS



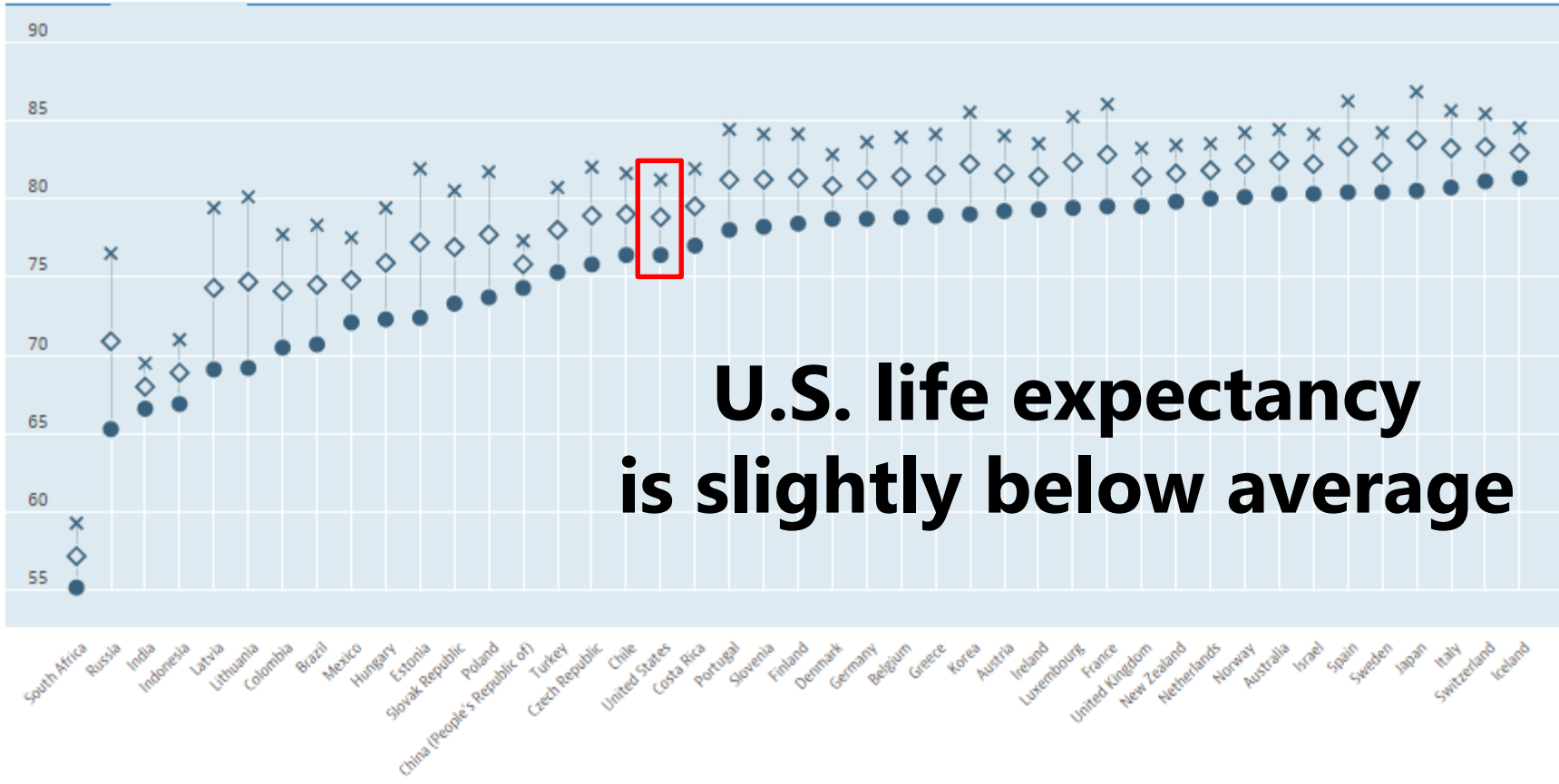
CONFIDENCE LEVEL

"I DEFINITELY UNDERSTAND" THESE TERMS

COMPREHENSION LEVEL

"I CAN CORRECTLY IDENTIFY THESE TERMS"





**U.S. life expectancy
is slightly below average**

Cost



Complexity



Coverage



Quality



#1

\$28k

241%

4%

30m

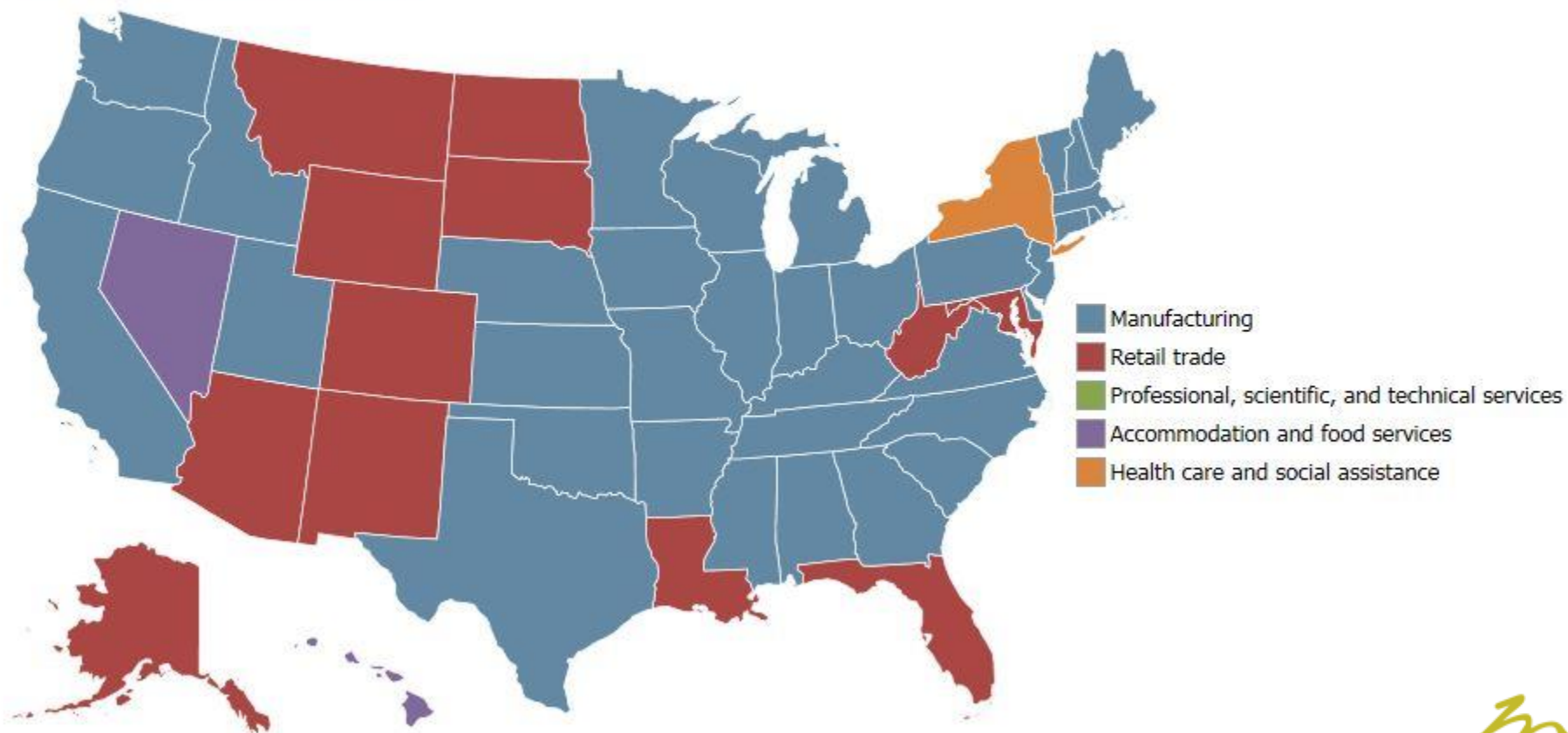
44m

58%

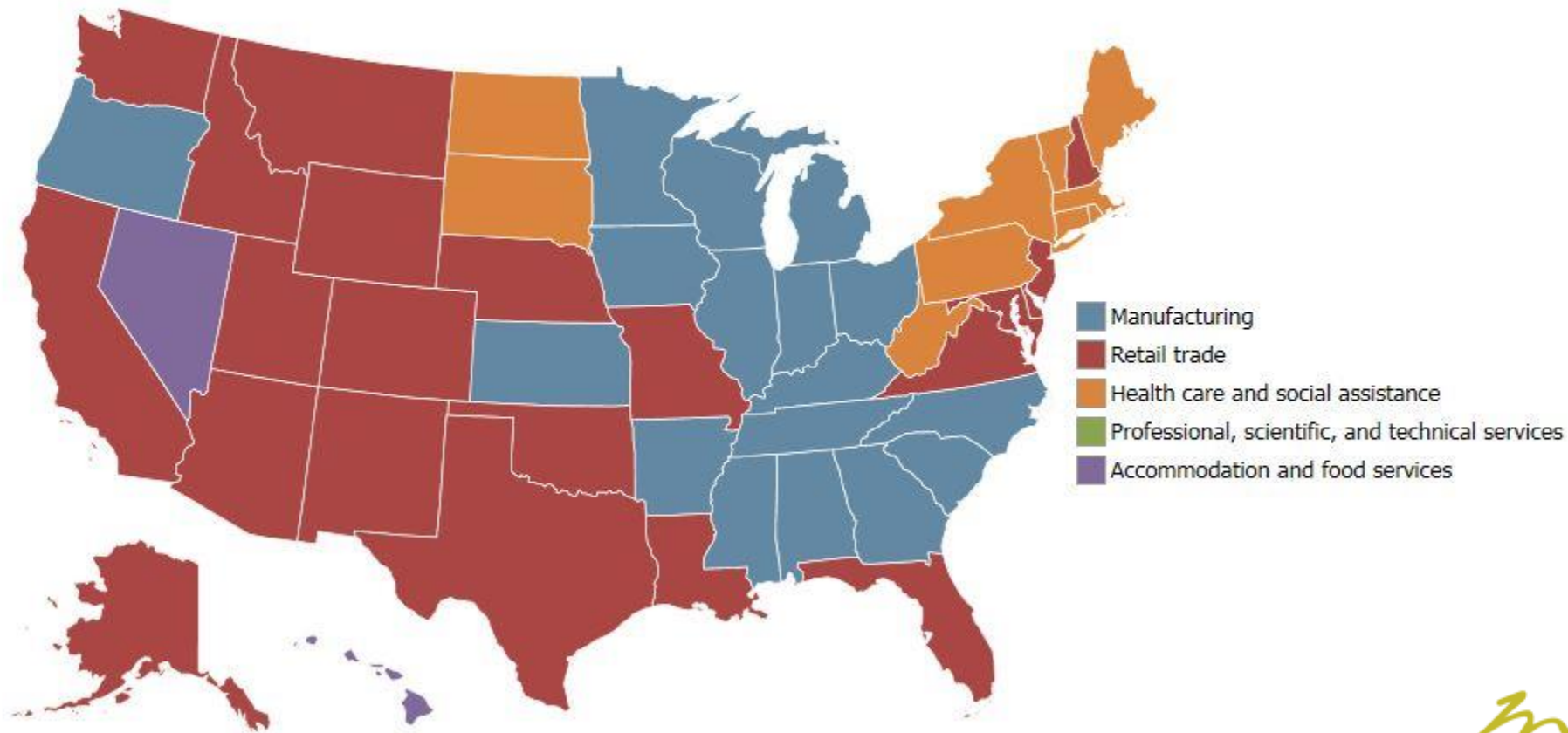


Major industries with highest employment, by state 1993

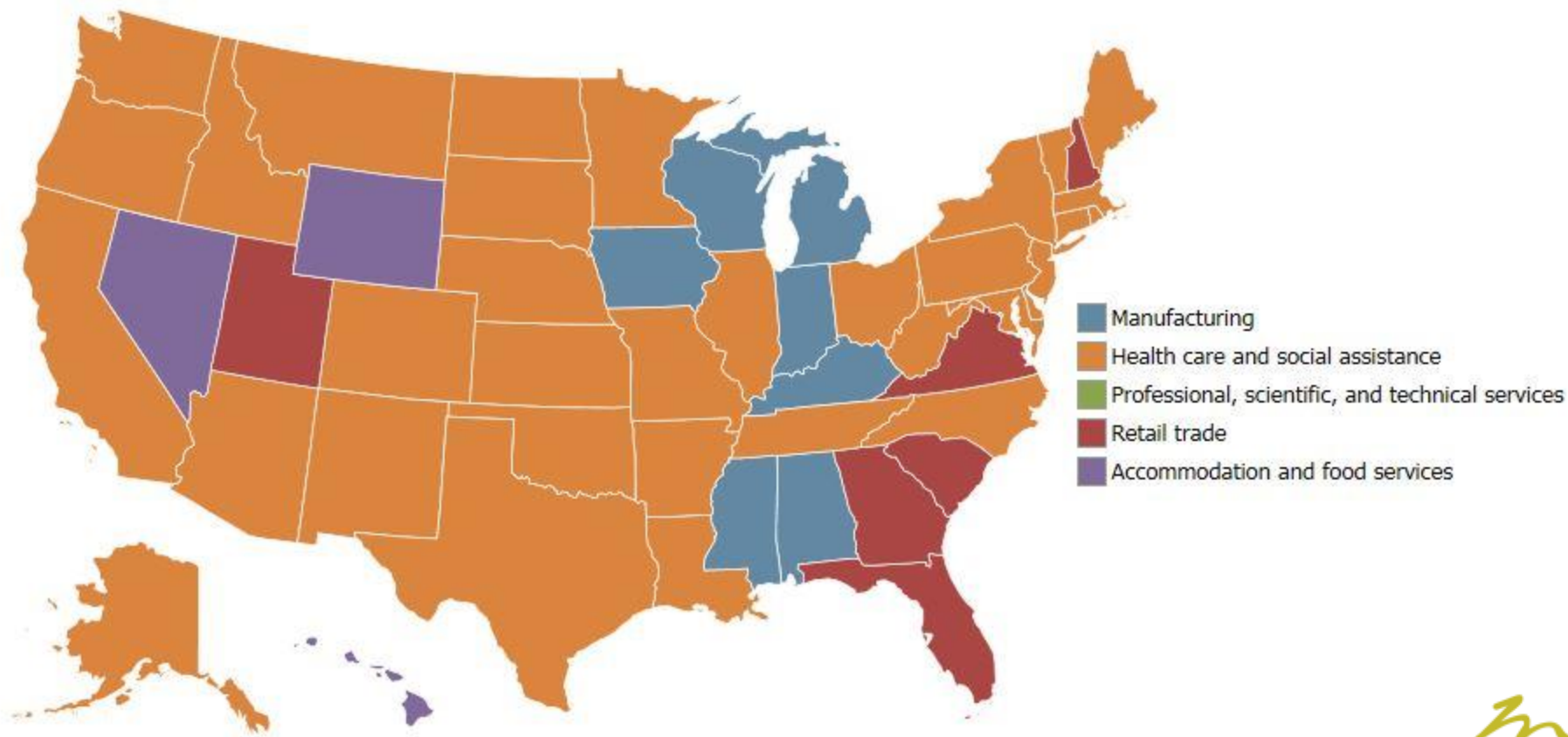
Play Pause << < > >>



Major industries with highest employment, by state 2003



Major industries with highest employment, by state 2013



DRAGNET



**MEDICARE
FOR NONE**

**MEDICARE
FOR ALL**

SAFETY NET



MEDICARE FOR MORE

- 55
- Buy-in

MEDICAID LIGHT

PUBLIC OPTION

- Marketplace
- Employer

MEDICARE LINK

- All-payer
- Indexing

WITHOUT A NET



TRANSPARENCY & COMPETITION

HRA EXPANSION

MEDICAID BLOCK GRANT

WITHOUT A NET



REPEAL AND ERASE



Who is the enemy?



Thank You