



2017 EMPLOYEE BENEFITS LEADERSHIP FORUM RECAP

#EBLF17 • BY THE • NUMBERS

544

Total Attendees

82

CIAB Member Firms
229 Broker Attendees

39

CICE Carrier Companies
268 Carrier Attendees

47

Sponsors, industry guests,
strategic partners in attendance

34

International Benefits
Program Participants

EXECUTIVE SUMMARY

From identifying cost drivers and uncovering diversity initiatives, to keeping up with the HR Tech space and understanding the challenges and opportunities coming out of ACA repeal and replace efforts, ideas, debate and dialogue swirled at the 16th annual Employee Benefits Leadership Forum, May 30-June 2 in Colorado Springs, Colo. Year after year, EBLF serves as an increasingly critical platform for market leaders to build key relationships, conduct strategic meetings and stay on top of the industry. By the end of the forum, the directive was clear: our industry must continue to inject creativity, collaboration and forward-thinking in the employee benefits marketplace.

PREVAILING THEMES

- Greater collaboration and innovation between healthcare stakeholders must take place to bring solutions to the table, providing affordable, quality coverage to Americans.
- Stabilization of the individual market is essential to the health and functioning of the entire system.
- Pricing transparency, the lack of efficacy data, prescription drug, catastrophic claims and payment reform are macro market issues weighing on the industry.
- With a booming number of technology companies entering the insurance space, the industry must be prepared for the opportunities and challenges that InsurTech brings.
- Staying abreast of shared challenges and opportunities within the global environment such as aging populations, global mobility and emerging cross-border risks is important to brokers' strategies and growth objectives.
- There is a great need to continue educating lawmakers on the consequences of creating a new payroll tax for 177 million Americans should the tax exclusion be lifted. **All members are urged to contact their Congressional representatives at 202.225.3121 to oppose the tax.**



SAVE THE DATE

The 17th annual Employee Benefits Leadership Forum will be held at The Broadmoor in Colorado Springs, Colorado, **May 29 – June 1, 2018.**

WEDNESDAY, MAY 31

INTERNATIONAL BENEFITS BREAKFAST

MODERATOR

Kerry Finnegan, *Global EH&B Leader for Mid-Market Business and Carrier Relations, Mercer*

PANELISTS

Jaime Asher, *Vice President – Global, Honan Insurance Group*

Philippe de Dreuzy, *CEO and President, MSH International*

Scott Sinder, *Chief Legal Officer, The Council; Partner, Steptoe & Johnson*

SUMMARY

In its second year at EBLF, the International Benefits Breakfast discussion highlighted global trends in international and expat benefit programs and delved into elements of a successful cross-border partnership. Although some countries are at various levels of employee benefits development, fundamental issues of aging population, global mobility and emerging cross-border risks shape brokers' approach. The panel covered key challenges related to brokers' interaction with clients and carriers on international benefits, regulatory compliance, the role of data, and international aspects of the U.S. health reform.

HIGHLIGHTS

Demand for Expat Benefits

- There are currently an estimated 57 million expats, 30% of which are retirees. By 2020, corporate expats are forecast to increase by 50%.

Globalization Effect on International Benefits

- Disparate degrees of international benefits development are exemplified in the Asia Pacific region where a highly globalized economy of Singapore is more advanced than Australia, for example. Employer-sponsored benefits are not common in Australia, but wellness initiatives are growing. There is movement in some sectors in Australia, e.g., tech companies are coming in and offering benefits.

Technology & Data Analysis

- Big data is changing the benefits landscape and how brokers engage with clients, while vendors develop tools with international benefits and cross-border mobility in mind. Brokers need to take advantage of tools, aggregating pieces of data from various stakeholders to help provide a complete, real-time picture of expat employees, including the current events that affect them. Employees want to have access to their benefits information from anywhere and require a mobile platform.

Duty of Care

- Duty of Care in international benefits uncovers brokers' HR and risk management expertise and employers' underlying fiduciary duty to employees.

QUESTIONS?

Contact The Council's Vlad Gololobov at vladimir.gololobov@ciab.com.

"The pressure is on the leaders of the House and the Senate to produce."

John Boehner



GENERAL SESSION I

WHAT WILL IT TAKE TO GET THINGS DONE?

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FEATURED GUEST

John Boehner, *Former Speaker, U.S. House of Representatives, 2011 – 2015*

SUMMARY

With the dysfunction surrounding repeal, replace and/or repair of the Affordable Care Act, former Speaker of the House John Boehner sat down for a candid one-on-one conversation with The Council's Joel Wood. Boehner offered a relevant and timely insider's perspective on what's happening in Washington right now, including insight on healthcare reform and tax reform efforts. He also touched on the importance of advocacy work.

QUESTIONS?

Contact The Council's Joel Wood at joel.wood@ciab.com.

TOWN HALL TRUMPCARE: CONSEQUENCES FOR BROKERS AND EMPLOYERS

MODERATOR

Shawn Pynes, *Principal, Marsh McLennan Agency*

PANELISTS

David Merritt, *Executive Vice President, Public Affairs and Strategic Initiatives, AHIP*

Joel Wood, *Senior Vice President, Government Affairs, The Council*

Joel Kopperud, *Vice President, Government Affairs, The Council*

Scott Sinder, *Chief Legal Officer, The Council; Partner, Steptoe & Johnson*

SUMMARY

The panel covered the content of and political prospects for the American Health Care Act (AHCA), and touched upon anxieties facing employer-sponsored insurance such as drivers of healthcare costs, premium increases, competition and pricing in the individual market, consumer participation levels, and the viability of single payer efforts.



HIGHLIGHTS

Legislation & Regulation

- Following CBO's score of the AHCA and its projection that 23 million Americans will lose coverage if it's enacted, all eyes are on the Senate, which is struggling to come up with a solution that will garner the requisite 50 votes (with Vice President Pence as the tie-breaker). Senate leaders have a self-imposed deadline of the upcoming July 4 recess to pass legislation, though details of that bill remain unclear.

QUESTIONS?

Contact The Council's Joel Wood at joel.wood@ciab.com or Joel Kopperud at joel.kopperud@ciab.com.



MAXWELL PULSE RESULTS

What is the greatest challenge facing the healthcare industry?

Politics/Regulation/Legislation	30.4%
Controlling the cost of care	52.2%
Access to care	0%
Addressing inefficiencies through technology adoption	8.7%
Collaboration/transparency between healthcare stakeholders	8.7%

- Challenges facing the repeal effort include: The Senate's reconciliation rules (the now infamous Byrd rule), governors and voters from Republican states that took (and like) the Medicaid expansion under the ACA, GOP infighting and political repercussions in the 2018 mid-term election. A more moderate Senate is not likely to appease House conservatives. Recognition that beyond the AHCA reconciliation bill on the table now, the next planned wave of healthcare reform, per the leadership's original plan, entails non-budget-related legislation (e.g., HSA reforms, employer reporting obligations, etc.), which will be important to and present opportunities for The Council's members.
- The panel reiterated The Council's top priority is to advocate for employer-sponsored insurance. That leads with preserving the tax exclusion for employer-sponsored plans and repealing the Cadillac Tax, and includes expanding HSAs and preserving employer wellness programs. It also explored the politics of the day surrounding Senate efforts to repeal the ACA.

Market Matters

- A sense and fear that Washington is ignoring the big picture—i.e., cost drivers—because nobody wants to deal with the complex problems and unfavorable politics; further, recognition of the reality that the reconciliation rules in the Senate probably will not allow for a lot of cost driver-based solutions in this legislative vehicle.
- Overall concern for the stability of the individual market, including questions about continued payment of premium subsidies (uncertainty about which is causing pain among the carriers and increased rate filings for 2018), ever-rising premiums, and declining insurer participation in the exchanges; further, agreement that the employer market is working and should not be sacrificed or weakened to stabilize or prop up the individual market.

FOOD & THOUGHT RECRUITING DIVERSE TALENT

PRESENTER

Jody Alyn, Founder & Owner, Alyn Consulting

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SUMMARY

As with any hire, diversity requires conscious prioritization and a holistic, strategic approach. Whether you're looking to create a workforce with a better balance in gender, race, sexual orientation or skillsets, finding and retaining a diverse workforce can be challenging.

[Check out Jody Alyn's Business Case for Diversity.](#)

HIGHLIGHTS

Diversity is a Success Driver

- Studies show that companies with race and gender diversity have better returns, outperforming the S&P; also lower corporate fraud and stronger corporate governance.

Discussion questions for your firm:

- What does diversity and inclusivity in the workplace mean to you?
- How does your hiring/talent development program cultivate both inherent (born with) and acquired (experience) traits in relation to diversity?
- How are Diversity & Inclusion business strategies at your company influencing how you approach the design of benefits for clients (or vice versa)?



MAXWELL PULSE RESULTS

Which of the following investment areas by employers has proven to have the most positive impact on retention of employees?

Company Culture	44.0%
Growth and development opportunities	36.0%
Flexible work schedule	4.0%
Insurance benefits	16.0%
Incentives (student loan payment assistance, responsible leave policy, etc.)	0%

THE COUNCIL FOUNDATION'S SCHOLARSHIP PROGRAM

Participating member firms are eligible this summer to nominate their best undergraduate interns to receive one of 75 available \$5,000 Council Foundation scholarships. A Scholarship Selection Committee will review all applications and make final decisions heading into the fall academic year.

[Click here to learn more](#)

THURSDAY, JUNE 1 GENERAL SESSION II THE FUTURE OF THE HEALTHCARE MARKETPLACE: WHAT'S NEXT?

FEATURED SPEAKER

Ian Morrison, Ph.D., Healthcare Futurist

SUMMARY

Healthcare futurist Ian Morrison presented on the progress and promise of healthcare in America. He offered a different viewpoint when talking about affordability (or lack thereof), made predictions on whether or not employers stay or go, and discussed how to turn volume into value from a provider perspective.

[Click here for Morrison's slide presentation.](#)

"In every talk I have given to health systems in the past two years I have repeated: The good news is large employers are not leaving; the bad news is large employers are not leaving and are going to be increasingly in your face looking for value."

Ian Morrison



TOWN HALL THE UNSUSTAINABLE AMERICAN HEALTHCARE MODEL

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MODERATOR

Brad Plummer, SVP, Cottingham & Butler

PANELISTS

Ron Cornwell, Principal & Consulting Actuary, Milliman

Chris Bowlin, SVP, Government Affairs, Association for Accessible Medicines

Derek Newell, President, Castlight Health

SUMMARY

This town hall panel discussed key variables affecting the current American healthcare model, rendering it unsustainable. With healthcare costs continuing to rise, plaguing American people and businesses, the conversation turned to primary drivers of escalating costs within a vast and complex system yearning for change.



Market pressure will force change over regulation.

- The collective voice of consumers, businesses and individuals will act as a catalyst for change over regulation (many barriers exist with the latter including some states that have laws working against cost transparency).

Prescription drug spending continues to increase faster than any other part in the system. Generics and PBM's play a valuable role in lowering costs.

Generic Drugs:

- Account for 89 percent of prescriptions dispensed in the U.S. but are only 27 percent of drug costs.
- When generics enter the market and have several generic competitors, specialty pricing can decrease by 80 percent.
- Need additional voices in DC to allow more competition with generics to help drive down prices.

Pharmacy Benefit Managers (PBMs):

- PBMs play a crucial role in the use of generics and therefore have a great opportunity to help lower overall Rx spending. A lack of transparency exists, however, within the PBM world particularly with their partnerships, rebates and contracts (which carriers own). The market should demand transparency here too.



MAXWELL PULSE RESULTS

What is your company's top priority over the next 12 months?

Staying in front of change	11.9%
Organic growth	42.4%
Attracting and retaining top talent	30.5%
Uncertainty in healthcare reform legislation/regulation	5.1%
Access to and the ability to use data	10.2%

HIGHLIGHTS

Without price and efficacy information, consumers cannot make educated choices and be active participants of healthcare.

- The employer market attempted to shift accountability to consumers, making them active participants of their care, but they cannot make educated decisions without critical data, such as price and efficacy information for services/products. Providers and consumers alike do not feel ownership within a third party payer system.
- Reference-based pricing is an effective tool for understanding costs and promoting educated consumerism.

FOOD & THOUGHT HR TECHNOLOGY: CHALLENGE OR OPPORTUNITY?

PRESENTER

Jamie Hawkins, *President & CEO, Benefit Technology Resources, LLC*

[Click here for Hawkins' slide presentation.](#)



MAXWELL PULSE RESULTS

When it comes to Benefits Technology Adoption, what is the most common challenge you face?

Data integration/integrity between systems of record	54.8%
Interface design and usability	7.1%
Getting HR buy-in/engagement	9.5%
Client deployment process and/or timeline	7.1%
Technology vetting process and investment process	21.4%

SUMMARY

HR technology continues to be a top priority among employers. According to Hawkins, the demand is so high that the availability of ben admin platforms is actually shrinking. However, the market continues to evolve, with many new entrants offering various capabilities. How do you determine what is right for your clients? Consider the following:

Employer Needs

- Employers want an Amazon-like experience that includes ease of use, including responsive design, and robust decision support such as personalized plan options.
- Yet, every employer has a different appetite for technology, so brokers need to meet clients where they are, from simple automation to more complex data analytics.
- The small group marketplace is growing faster than any other when it comes to adopting HR technology.

Broker Considerations: Owning the Technology

- More brokers are owning/controlling the ben admin site. If you're taking on a new client with an existing site, you need to know who owns it and have a plan for data transfer from previous broker.
- If you're offering technology resources for free, your clients may not value/engage with it appropriately.
- There's an opportunity to negotiate with carriers for subsidized technology for clients that don't have the budget for it. The disadvantage to this is carrier (vs. broker) ownership and potential client experience/service disruption if they switch carriers.
- Brokers need to improve their technology sophistication (a show of hands in the room confirmed that most are using paper-based HR in their own firms), including adding internal tech experts to help consult on client tech.
- Brokers cite security as a major consideration when adopting HR tech systems.

Market Updates: Data Exchange is Growing

- There is an increase in APIs (Application Program Interfaces) for offering data exchange in real time.
- Getting data out of carriers' legacy systems is still a challenge, though tech systems are beginning to integrate carrier claims data into decision support tools for customers choosing plans.
- There is a risk associated with HR technology companies turning into brokers and taking over accounts. Avoid this by including text in partnership agreement that forbids company to solicit insurance.

"Set your data free by integrating multiple systems."

Jamie Hawkins, Benefit Technology Resources



FRIDAY, JUNE 2

CEBE ADVISORY BOARD MEETING

SUMMARY

The CEBE (Council of Employee Benefit Executives) Advisory Board meets twice a year to discuss top issues impacting the benefits landscape. Through these dynamic discussions, The Council targets legislative and regulatory priorities and receives guidance on new or existing initiatives to support this sector of the business.

HIGHLIGHTS

- Discussion focused on the major influencers of escalating healthcare costs such as hospital inpatient and outpatient costs, high cost claims, prescription drug costs and lack of price transparency. A task force was recently created to help The Council craft a collective message and build an educational campaign, and to drive awareness of strategies to reduce cost and make healthcare more affordable.



- The Council supports efforts to build and maintain a stable and healthy individual market because it impacts the health, functioning and costs of the entire industry, including the employer market. **[Click here for our one-pager on the individual market.](#)**
- The Administration should continue funding premium subsidy payments in order to stabilize the individual market.
 - The Council is in favor of some individual mandate/ requirement to maintain continuous coverage.
 - To the extent high risk pools are adopted/utilized, indexed rates should be set (for example, Medicare rates plus a set percentage) and “high risk” should be clearly defined/ delineated.
 - The Council supports changing the age rating band to 5-to-1 to increase actuarial soundness and stability and help young healthy participants in the individual market.
- The Council will develop communication materials for member firms to use within their organizations and their individual networks (e.g., business networks, clients, local political contacts, etc.) to facilitate consistent messaging on key Council priorities (position on legislative/regulatory and market issues; playbook for states attempting to bring forth single payer).

QUESTIONS ABOUT CEBE?

Contact Jenn Urso at jennifer.urso@ciab.com for more information.

COUNCILPAC 2017 GOAL: ADDING VOICES

2017 CHAIR

Lisa Hawker, *Hylant*

2017 CO-CHAIR

Tom Hughes, *InterWest Insurance Services*

The Council encourages all member firms to utilize available CouncilPAC resources for internal education and fundraising. Year-to-date, CouncilPAC has raised \$533,642 (more than \$85,000 than last year at this time). This year’s goal is more member firm participation, which includes engaging 15-20 benefits-focused firms that have never donated to PAC.

QUESTIONS ABOUT COUNCILPAC?

Contact Brittany Thune Lindberg at brittany.lindberg@ciab.com for more information.