Darrel Fitch is a Senior Analytics and Client Executive with WalkerHughes Insurance – Employee Benefits Division.

He has 30 years experience in the group health insurance business, including 7 years working for insurance companies and 23 years as an Advisor to employers with as few as 2 employees to multi-national corporations with over 25,000 employees.

His experience includes a deep background in all approaches to funding health insurance premiums, including Fully-Insured, Self-Funded, Minimum Premium and Level-Funded health plans.

He ran his own insurance consulting firm, Fitch Hoyt Benefits, from 2003 to 2018 and merged his practice with WalkerHughes in August 2018.
Employer-sponsored (group) health insurance is 2nd largest expense for most businesses, with payroll being the largest expense.

Current average annual cost per employee is $14,000.

National Association of Health Underwriters (NAHU) published an article from Moneycontrol stating health insurance premiums will rise by 15% to 18% in 2019. Article notes increases due to 18% to 24% jump in medical inflation.

Willis Towers Watson predicts health insurance premiums will increase 5.5% in 2019

Employers continue cost-shifting practices;
  • Increase Plan Deductible
  • Increase Plan Out-of-Pocket Limit
  • Increase Member copayments for medical services
  • Increase Member Cost Share of premiums
Hospital Services pricing directly influences health insurance premium rates.
• Pricing transparency legislation likely to be enacted but will it make a difference?
• Carriers are signing contracts with Physicians/Hospitals where costs for procedures can vary by 1000%.

Prescription Drug prices continue to increase at alarming levels.
• Numerous articles written in national publications that have spot-lighted unbelievable rate hikes but nothing has changed.

Specialty Medications costs continue to soar. AARP reports that the average cost of treatment with a single specialty drug was $52,486 in 2015. This cost is 3 times higher than the average Social Security retirement, which is $16,101, and twice the income for a Medicare beneficiary, which is $25,150.
Insurance Carriers are merging with Pharmacy Benefit Managers.
• Aetna acquired by CVS Caremark
• Cigna acquires Express Scripts
• UnitedHealthcare acquired Optum
• Anthem starts new PBM, IngenioRx

PBM Rebates enrich the PBM’s for a member using a higher-cost Brand Name medication?

Faith-Based Medical Share plans increase membership to over 1 million members (Medi-Share, Kingdom Health Share, Altrua Health Share).
What can Employers do to combat rising Health Insurance costs?

Seek out competition to current insurance carrier or administrator.

Consider alternative funding solutions (Level-Funded or Self-Funded plans).

Consider benefit plan design changes.
• Increase member copays
• Increase member Deductibles and Out-of-Pocket Limits
• Increase employee cost share of premiums

Look at eligibility for participation in an Association Health Plan.
• ACEC Life/Health Trust
ACEC Life/Health Trust

ACEC Life/Health Trust formed in 1965.

Trust eligibility limited only to qualified Engineering firms across the U.S..

Currently insures 1,700 firms and 110,000 members.

Trust uses the combined buying power of participating members to set health insurance rates.

Each participating group pays differing amounts based on demographics and plan design.

Trust includes a 7 member Board of Trustees (Plans are designed by Engineers for Engineers).

Trust has a dedicated Underwriting team with UnitedHealthcare.
ACEC Life/Health Trust | continued

Trust has dedicated Underwriting Team with UnitedHealthcare.

Trust has dedicated Account Service Team.

Many Engineering firms will experience lower premiums through Trust.

Small Employers in the Trust avoid many Affordable Care Act mandates.

Trust offers Fully-Insured, Level-Funded and Self-Funded options.

Trust offers unique Wellness Programs.
ACEC Life/Health Trust Wellness Programs

Trust has a Director of Health & Wellness who leads Wellness program initiatives.
• Lindsay Simone, MA CHES

Two (2) Wellness Plans offered
• Designed Wellness – FREE to participating firms employees and spouses
• Personal Health Assessment
• Biometric screening
• Lifestyle coaching
• Health trackers
• Challenges and Competitions
• Educational materials
Accountable Health Improvement Plan (AHIP)
• Designed to hold employees Accountable for improving their health.
• Plan requires employers to implement a more structured program.
• Plan is FREE to participating firms employees and spouses, including those NOT covered under health insurance.
• Trust pays for incentive plans to enhance participation.
• Participating employer will receive a 5% of premium credit in 2nd year of AHIP, if employer achieves required participation levels.
ACEC Life/Health Trust – Other Benefits

Trust offers very competitive non-medical employee insurance coverages including:
• Life Insurance
• Dental Insurance
• Vision Insurance
• Short-Term Disability
• Long-Term Disability

Many employers are seeing 20% to 40% premium savings on these Benefits!