

client report

2019



MedBen[®]
health. benefits. 

MedBen[®] 2018 **stat**summary



0.4%

Average claim cost increase per employee

-2.7%

Reduction in average per-member pharmacy spending



99.3%

Claims payment accuracy



\$9.82

Average monthly savings per employee from claims surveillance



48%

Average additional savings on clinically reviewed claims

11.3%

Average client savings from MedBen Rx Advocate



84.3%

Average discount on retail generic drugs



98.5%

Average substitution rate when a generic alternative is available

19.3%

Average client savings from reference-based pricing compared to previous PPO discount

-5.4%

Difference between average per-employee claim costs paid by MedBen WellLiving clients and non-WellLiving clients



4.4%

Average **five-year** claims cost trend for MedBen WellLiving clients (compared to **6.4%** for non-WellLiving clients)

93%

Customer Service questions resolved on first call



4.8

Average client satisfaction rating (out of 5) for Customer Service staff professionalism



4.9

Average client satisfaction rating (out of 5) for Account Management timeliness of answer and issue resolution

Dear Valued Client:

2019 marks the 30-year anniversary of Medical Benefits Administrators (MBA). The third party administrator began as a subsidiary of Medical Benefits Mutual Life Insurance Co., but has grown into our signature enterprise.

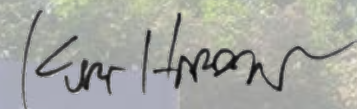
As MBA grew, we found that the self-funded market was stacked against employers, designed to drive revenue to large carriers, pharmacy benefit managers (PBMs), and other big players. Employer efforts to offer quality benefits and service at a reasonable price were stymied by a system that rewarded spending over savings:

- Pharmacy programs were built around rebates which often encouraged the use of pricier drugs. Discount margins were hidden and divvied up among what seemed like everyone except the employer and plan participants.
- Medical discounts were pushed over cost control as carriers gave away plan review rights in exchange for paper savings with hidden contract clauses that cost plans even more money.
- Wellness and disease management programs charged plans to create barriers to improved preventive care by stepping in between physician-patient relationships.

We built a different model designed to deliver savings to self-funded employers – a service model built around the voice of the customer and continuous improvement. In short, our goal is to link our success to that of our clients.

To do that we need good people. MedBen associates have served clients an average of 13 years with over a quarter of our staff serving with two or even three decades of experience. But we also take pride in developing newer associates who will chart our future success.

On the following pages we will take a closer look at those people and how we plan to build on our current successes to better serve you.



Kurt Harden
President and CEO

Serving MedBen Clients Since 1991



Coverage Strategies

beyond the discount



Kelley Hahn
Proposal Manager
Serving MedBen clients
since 1992

Brian Fargus
Vice President of
Sales & Marketing
Serving MedBen clients
since 2000

MedBen draws on decades of experience to offer clients coverage strategies that go “beyond the discount.”

Even though preferred provider organizations (PPOs) still represent the majority of self-funded plans, **reference-based pricing (RBP)** reimbursement strategies, which establish fair provider reimbursements based on Medicare pricing, are gaining momentum. In 2018, MedBen clients who switched to an RBP option **saved an average of 19.3%** compared to traditional plan strategies.

MedBen has also been facilitating **direct-to-employer contracting**, bringing together local employers and health systems in plans that promote effective use of regional care. In the near future, expect to see more alternative coverage strategies like these become the norm.

MedBen's claims management blends talent and technology to help employer plans defy national claim cost trends. **In 2018, our clients' average claim cost per employee rose just 0.4%.**

Efficient claims management begins with a skilled examiner team that processes claims based on your specific plan benefits. At MedBen, **our examiners' average financial, payment and procedural accuracy ratings all exceeded 99% in 2018.**

We complement internal processing with a **sophisticated surveillance system** backed by **board-certified medical specialists.** In 2018, these added accuracy measures saved MedBen clients, on average, **an additional 48% per selected claim.**



Lori Kane
Vice President of
Administrative Operations
Serving MedBen clients
since 1989



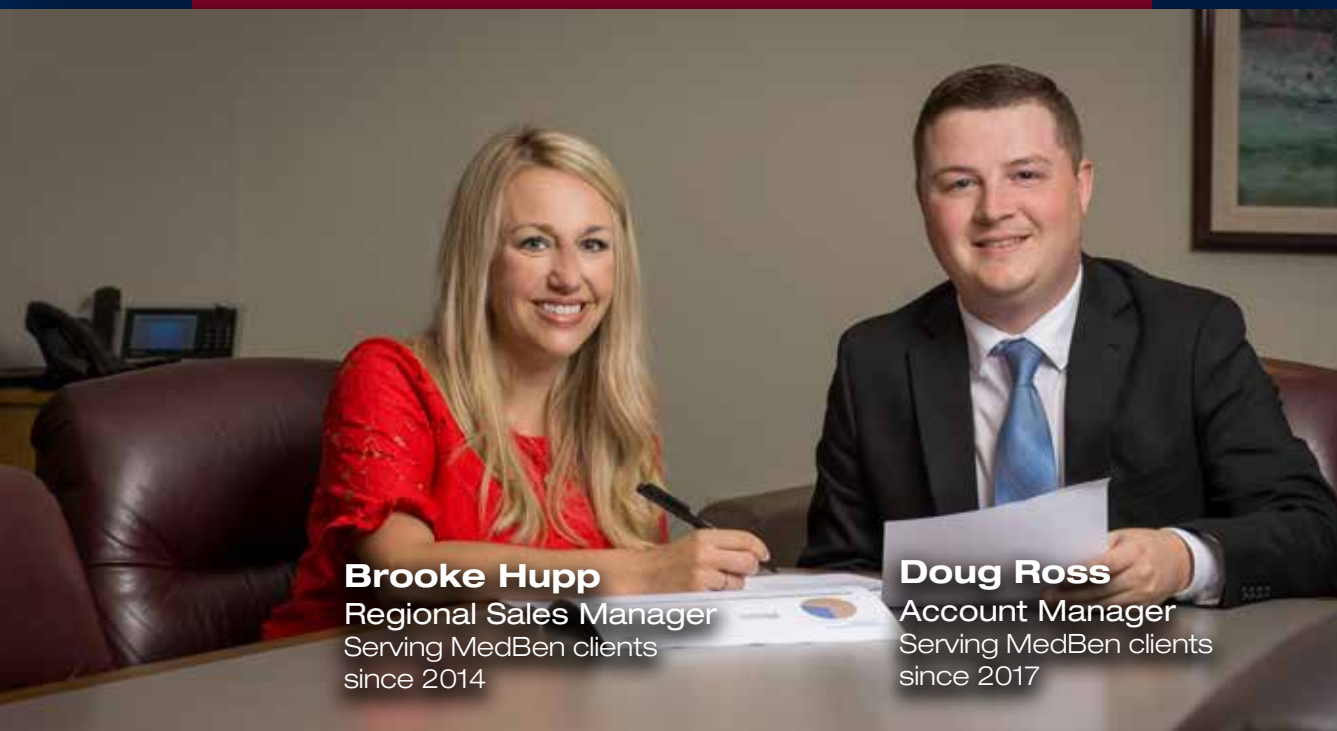
Stefanie Kirkpatrick
Manager of Claims Risk
Management
Serving MedBen clients
since 2007

**Claims
Management**
talent + technology

Even in a climate of rising drug prices, MedBen Rx Advocate clients in 2018 saw their **average per-member pharmacy spending drop 2.7%** from the previous year.

With **MedBen Rx Advocate**, the days of inflated PBM margins and made-up drug costs are over. We pay the average pharmacy cost of a drug plus a reasonable dispensing fee, so you'll know exactly who is making what – total transparency. In 2018, **our clients averaged 11.3% savings** on their prescription drug plans compared to traditional pharmacy plans.

Qualified employers can alternately benefit from **MedBen Rx Alliance**, which partners local health care systems and pharmacies. Schools, universities and other qualified organizations can see **savings as high as 25%** from this unique program.



Brooke Hupp
Regional Sales Manager
Serving MedBen clients
since 2014

Doug Ross
Account Manager
Serving MedBen clients
since 2017

**MedBen
Rx Advocate**
unmatched transparency

MedBen Analytics

insights from data



Morgan Hardy
Marketing Analyst
Serving MedBen clients
since 2006

Lindsay Kirk
Regional Sales Manager
Serving MedBen clients
since 2011

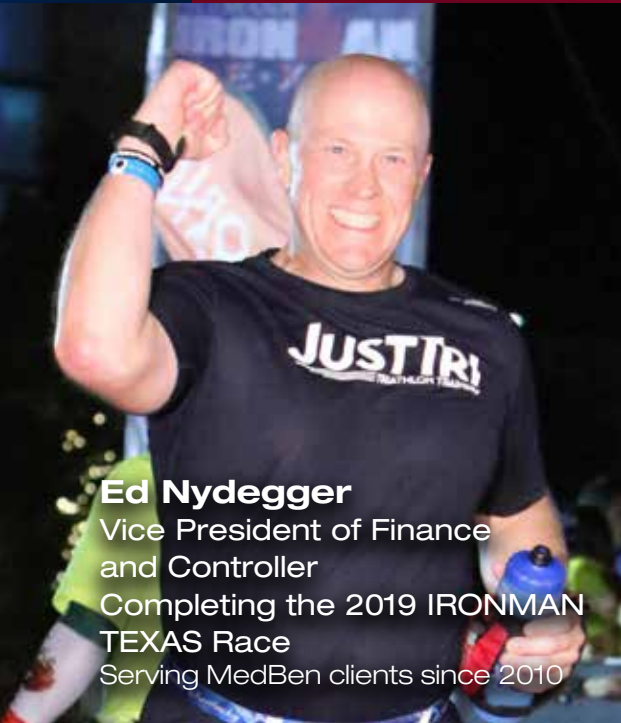
Since 2015, MedBen Analytics has provided bundled payment reporting for health systems, converting raw claims data into practical insights. Now, we've enhanced health care data analysis for self-funded clients using a **secure online executive dashboard**.

The MedBen Analytics reporting platform allows employers to better spot risks, study trends and identify opportunities for improving care and reducing costs. The dashboard gives you ready access to plan data, while benchmarking capabilities allow you to compare your plan performance against regional and national normative data.

In addition to the MedBen Analytics online platform, our expert team members conduct **quarterly plan reviews**, providing clients with timely information on benefit trends.

MedBen WellLiving

a focus on prevention



Ed Nydegger

Vice President of Finance
and Controller
Completing the 2019 IRONMAN
TEXAS Race
Serving MedBen clients since 2010



Team MedBen

Participating in the American Heart Association
2019 Licking County HeartChase

MedBen WellLiving addresses the greatest driver of employer health care costs... non-compliance with preventive and chronic care management. We help you develop a wellness program that directly addresses your population health priorities.

By promoting better health through **regular wellness exams and screenings, individualized RN coaching and early disease detection**, MedBen WellLiving has proven through the years that preventive care costs much less than reactive care.

Through a focus on prevention, MedBen WellLiving clients have consistently seen reduced costs. In 2018, MedBen WellLiving client claim costs were **5.4% lower, or \$695 less per employee**, than those who didn't have WellLiving.

MedBen Compliance tracks state and federal legislation and works with clients to keep their coverage consistent with the rules. Our team of regulatory experts and specialists ensures that self-funded clients observe all relevant regulations... and by doing so, **avoid costly penalties.**

When providing clients regulatory information, it helps to connect with the lawmakers. As **Chair of the Society of Professional Benefit Administrators Board of Directors**, MedBen Senior Vice President Caroline Fraker meets regularly with Congressional offices and agencies to discuss current TPA issues.

Compliance and education go hand in hand. Our client communications includes e-newsletters, direct mailings, social media, and **MedBen University seminars and roundtables.**



Erin Kelly
Director of Compliance and
Medical Management
Serving MedBen clients
since 2007

Ashlyn Degler
Senior Compliance Specialist
Serving MedBen clients
since 2016

**Plan
Compliance**
models of consistency

In an age of auto-prompts and button-pushing, MedBen takes satisfaction in client service that begins with a live voice saying, “**How may I help you?**”

We assign every TPA client **two dedicated Account Representatives** who know your plan and help it run smoothly. In 2018 MedBen Client Satisfaction Surveys, our Account Reps received an average of **4.9 out of 5.0 for timeliness of answer and issue resolution.**

For plan members, MedBen **Customer Service Representatives** have immediate access to claims and benefits information... so it's not surprising that **93% of member questions get resolved on the first call.**

Of course, MedBen has an active online presence as well. Our **MedBen Access** service site offers 24/7 plan resources for administrators and members alike.



Brenda McLean
Director of Client Services
Serving MedBen clients
since 1996

Bryan Redd
Customer Service
Group Leader
Serving MedBen clients
since 2014

**Client
Services**
we're here to help

Closing Thoughts

the complete client experience



Caroline Fraker
Senior Vice President and
Chief Privacy Officer
Serving MedBen clients
since 1992



Cory Queen
Manager of Administration
Serving MedBen clients
since 2001

To ensure we maintain the quality that has earned us **ISO 9001 Certification**, MedBen has controlled processes in place for every aspect of the client experience. This extends to our **ancillary and specialty services**, including vision and dental benefits, FSAs and HRAs, and COBRA administration.

Data security remains a top priority in benefits management services, so MedBen takes proactive measures to **protect client information**. Our Information Systems team ensures that extensive safeguards are in place and operating at peak performance.

One last thing: As we said up front, the only way that MedBen succeeds is by helping you succeed. Toward that goal, **we value your suggestions, questions, criticisms and compliments**. We invite you to contact us at (800) 423-3151 or medben@medben.com.

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