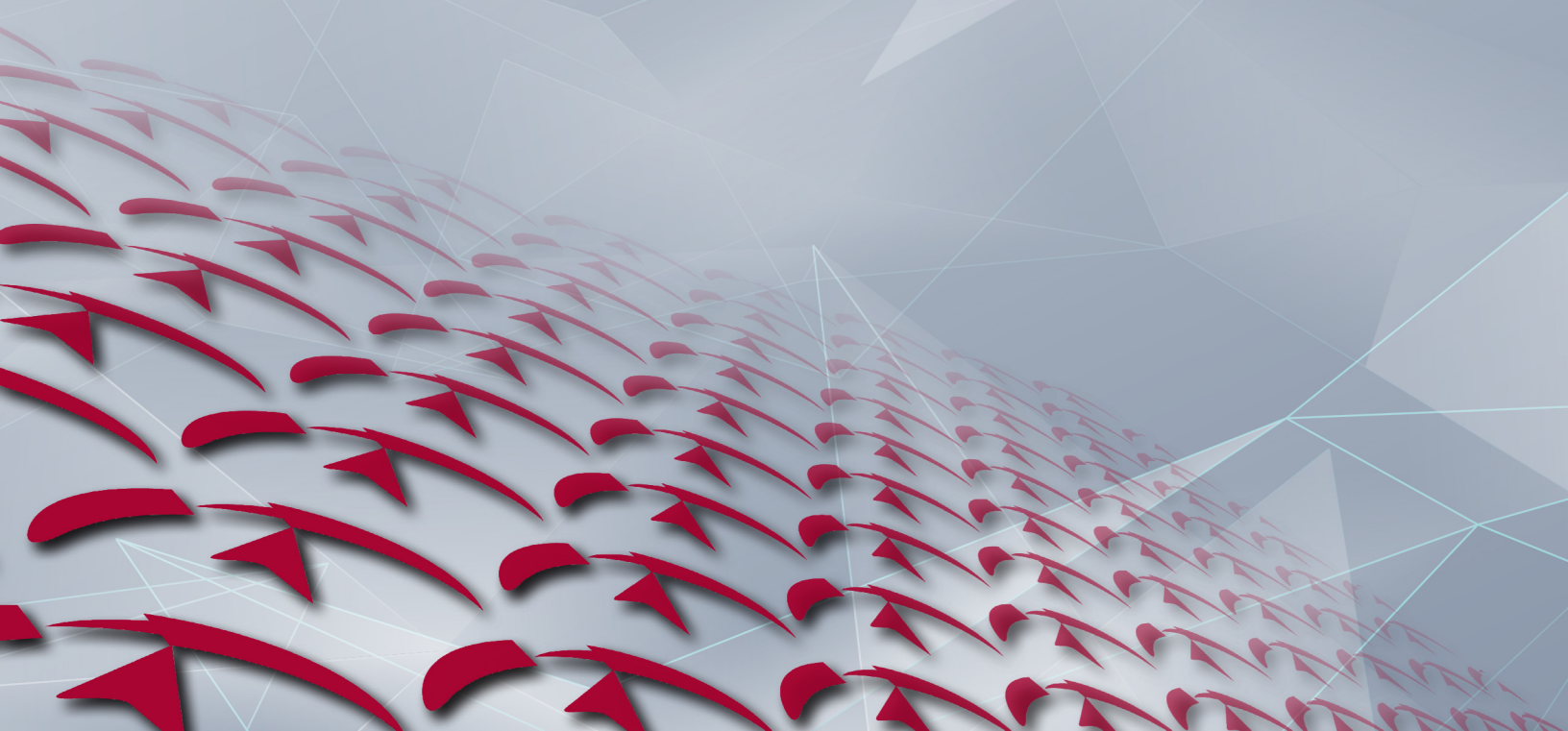




# 2021 CLIENT REPORT

Self-funding Saves. MedBen Delivers.





# A Message from Our President & CEO

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## Dear Valued Client:

When we tell you that self-funding saves and MedBen delivers, it is not simply a slogan: It is central to how we serve you... and a pandemic doesn't change that promise.

From one point of view, "self-funding saves" is self-evident. Simply by having to pay only for the claims your employees incur, you will likely spend less than you would on a fully insured health plan. But there's more to it than that.

In my 30 years at MedBen, I've seen first-hand that when you're given the freedom to build a health plan the way you want it, the opportunities for savings are seemingly limitless. Every year, we discover new and better ways to reduce client costs. And we work with stop-loss carriers, pharmacy and wellness specialists, and brokers and consultants who put their own savings solutions into the mix.

On the following pages we provide examples of how MedBen delivers the best claims management, plan design and reimbursement strategies, expanded pharmacy solutions, wellness programs, and client service. But here I'll note one more example unique to our current situation.

As MedBen made the transition to working from home in 2020, it was my stated goal that no aspect of our service to you would be affected. Not just daily operations, but our commitment to find every opportunity to lower your health care spend would proceed as normal. And despite the challenges we've all faced, I believe we have succeeded in that goal.

As we look forward to a post-pandemic future, we are enthusiastic about the chance to see more of you in person and discuss savings strategies going forward. Of course, we're still just a virtual meeting away, too.

In the meantime, I'm always available to talk to you. If we're failing to deliver on our promises or if you just have a question, I want to know about it. Or if there's someone at MedBen you feel deserves recognition, tell me about that as well. Call me at 740 334-1597.

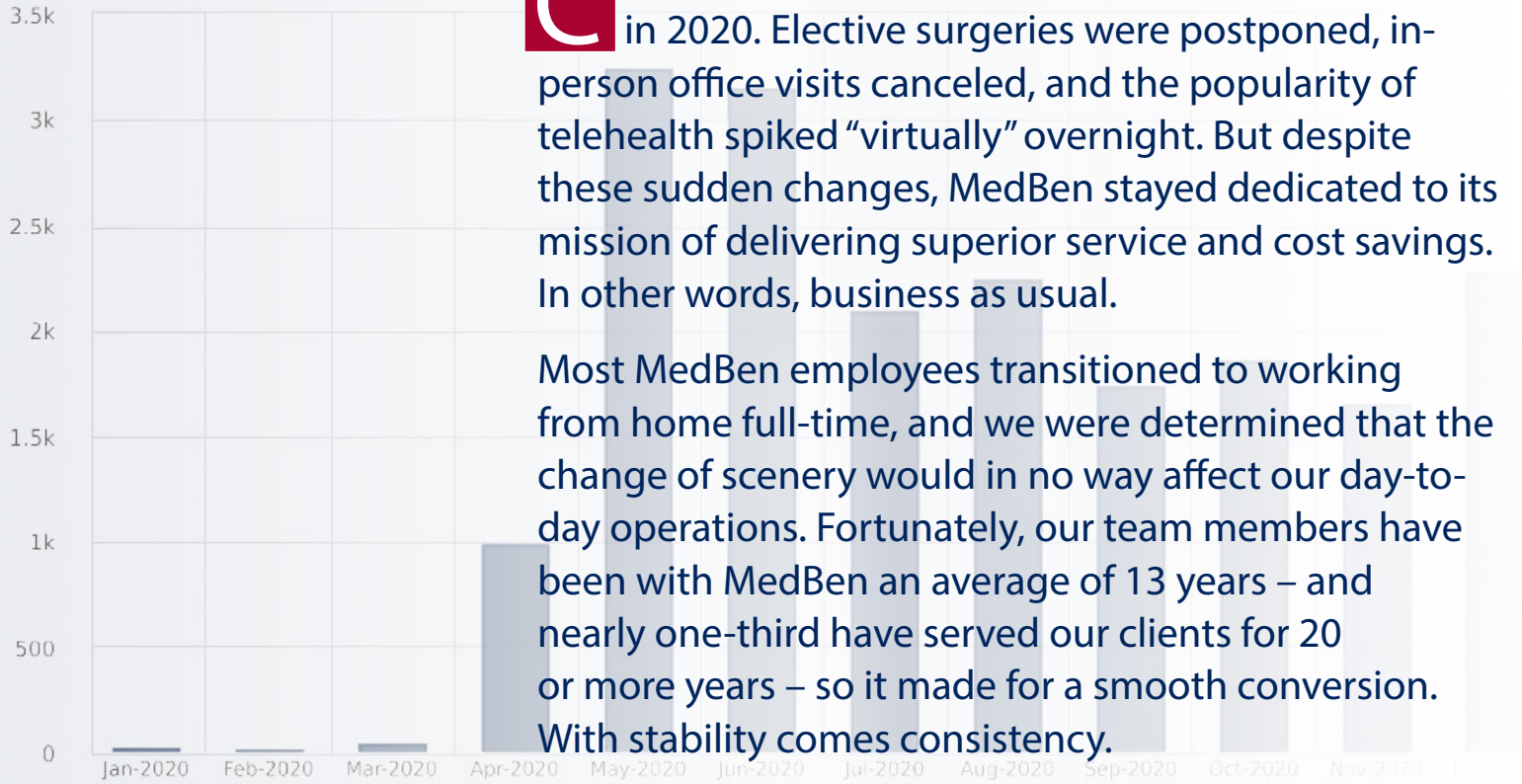
Kurt Harden

President & CEO

*Serving MedBen clients since 1991*

## STABILITY & CONSISTENCY

### Telehealth Utilization Trend



**C** OVID-19 affected how all of us used health care in 2020. Elective surgeries were postponed, in-person office visits canceled, and the popularity of telehealth spiked “virtually” overnight. But despite these sudden changes, MedBen stayed dedicated to its mission of delivering superior service and cost savings. In other words, business as usual.

Most MedBen employees transitioned to working from home full-time, and we were determined that the change of scenery would in no way affect our day-to-day operations. Fortunately, our team members have been with MedBen an average of 13 years – and nearly one-third have served our clients for 20 or more years – so it made for a smooth conversion. With stability comes consistency.





# SEAMLESS CLIENT SERVICE

In the transition to employees working from home, MedBen made seamless client service a priority. Your dedicated Account Management team, available as always to assist with your plan questions. Customer Service Representatives, providing fast and courteous resolutions to member inquiries. And expanded online and mobile services, accessible 24/7 to deliver claims and benefits information.



**35** seconds

Average time to connect to a MedBen Customer Service Representative.



**95%**

Percentage of MedBen Customer Service inquiries resolved on the first call.



**4.8**

Average client satisfaction (out of 5) for Account Management's ability to handle inquiries & issues.



**5.0**

Average client satisfaction (out of 5) for Account Management's courtesy and professionalism.

## Close Up: Online & Mobile Updates



The MedBen Rx Member Prescription Portal builds on our previous Rx online service with new features that enable you to compare drug pricing at area pharmacies and print or display your



prescription card. The portal also allows you to review Rx purchases, confirm if a drug is covered, and research equivalent alternatives.

We've also updated the MedBen Access mobile app so you can easily request new ID cards and make changes to your personal preferences. The app can be downloaded from the Apple Store or Google Play.



## Comments from MedBen 2020 Client Satisfaction Surveys

*“Response time to calls & issues has been great!”*



*“Doug & Brooke are always polite, friendly and very informative.”*

*“[I like the] friendliness of Customer Service and Account Managers.”*



# CLAIMS ACTIVITY & THE COVID-19 EFFECT

In 2020, per-employee claim costs for MedBen clients fell by an average of 4.7%. This was largely due to decreases in outpatient and ambulatory surgeries, emergency room visits and in-person office visits. As the effects of COVID-19 gradually recede in 2021, we are seeing client claims activity return to pre-pandemic levels, with continued acceptance of telehealth visits.



**+0.6%**

Inpatient admissions per 1,000 members from 2019 to 2020



**-7.9%**

Outpatient/ambulatory surgeries per 1,000 members from 2019 to 2020



**-15.2%**

Emergency room visits per 1,000 members from 2019 to 2020



**+2.5%**

Urgent care visits per 1,000 members from 2019 to 2020



**-6.5%**

Total office visits per 1,000 members from 2019 to 2020



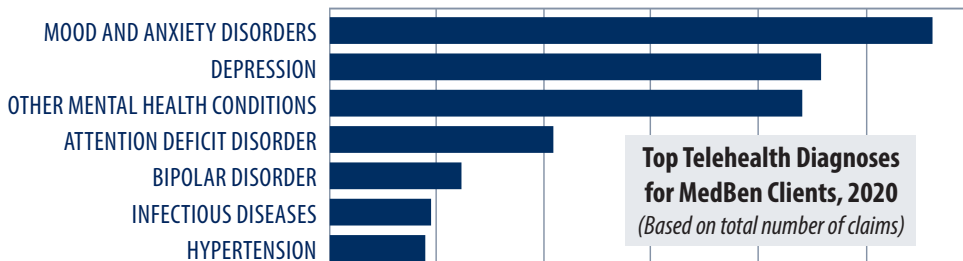
**+13,187%**

Telehealth visits from 2019 to 2020

## Close Up: Mental Health & Telehealth



Mental health office visits increased **18.1%** in 2020, while routine and preventive visits fell 9.0% and 7.9%, respectively. Mental health diagnoses also made up **52.4%** of total telehealth visits.



**In 2019, telehealth represented just 0.04% of total office visits. In 2020, the percentage spiked to 5.4%.**



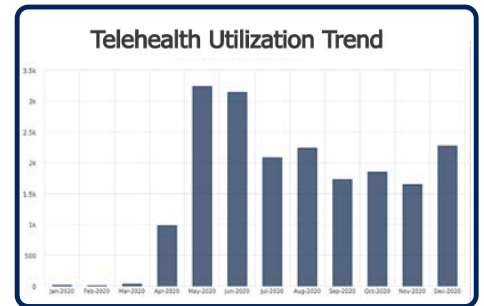
# EMPLOYER DASHBOARD & ACTIONABLE REPORTING

**M**edBen Analytics already offers a wealth of information through its online employer dashboard and actionable reporting. But in 2020 we added one more resource: A COVID-19 Impact Dashboard that enables you to easily see the effect the virus has had on claim costs and utilization, and to monitor COVID-19 testing, positive cases, and vaccine administration.

## Close Up: From COVID-19 Testing to Vaccines



The COVID-19 Impact Dashboard tracks tests, positive cases and vaccines, as well as their respective costs. And interactive charts help you follow utilization trends for facility and office care and telehealth visits (including top diagnoses).



## Employer Dashboard

The MedBen Analytics employer dashboard shows you what's working with your plan and where opportunities exist for improvements. It's the information most important to you, right at your fingertips.



## Actionable Reports

MedBen Analytics' actionable reports can be filtered by specific accounts and populations, and compared to prior periods. Predictive modeling forecasts future activity so you can make informed decisions about plan changes.

| Report Name                     | Description   |
|---------------------------------|---|
| Account Structure Risk Analysis | Uses the output of the MARA risk model to report on prospective and concurrent risk along with associated costs.                        |
| Account Structure Summary       | Breakdown summary of medical and rx costs, enrollment and risk.   |
| Admissions By Diagnosis         | Summarizes inpatient admissions and inpatient days in the report period by the high-level diagnosis grouper of the admitting diagnosis. |



# FORENSIC CLAIMS REVIEW

**M**edBen's multi-tiered forensic claims review continues to deliver payment accuracy and client savings. Skilled examiners, an advanced surveillance system using thousands of physician-developed algorithms, and board-certified specialists work together, auditing targeted claims clinically and financially to make sure that you pay the right price for necessary care.



## 53.4%

Average client savings on clinically reviewed claims over and above the PPO discount.



## \$18.40

Average client savings per employee per month through claims surveillance.



## 99.1%

Payment accuracy rating of MedBen claim examiners based on independent audits.

## 4.6

Medical claims accuracy



## 4.7

Pharmacy claims accuracy

Client Satisfaction Surveys give MedBen high marks for claims accuracy and turnaround (based on a 1-to-5 scale).

## 4.6

Medical claims turnaround



## 4.7

Pharmacy claims turnaround

## Case Study: Unbundling and Medical Necessity

Two large dollar claims for Mast Cell Activation Disease were flagged for further review. In addition to occurrences of unbundling, following physician review it was determined that the length of hospital stay exceeded standards for medical necessity. The provider wrote off the difference with no balance billing.

|                                      |                    |
|--------------------------------------|--------------------|
| Billed charges (two claims)          | \$2,630,872        |
| Allowable charges                    | \$1,157,584        |
| Recommended payment following review | \$38,559           |
| <b>Savings</b>                       | <b>\$1,119,025</b> |

The client saved **97%** through MedBen forensic claims review.



# ALTERNATIVE REIMBURSEMENT STRATEGIES

**A**t a time when unpredictable billing has become routine, MedBen alternative reimbursement strategies like **direct-to-employer (DTE) contracting and reference-based pricing (RBP)** have delivered consistency – and have proven to be more cost-effective than traditional PPO plans. With proven savings and added flexibility, “alternative” strategies are quickly becoming the norm.



MedBen clients with DTE contracting or RBP plans outperform traditional PPO plans by an average of

**23.5%**



For outpatient care, MedBen clients with DTE contracting or RBP spend an average of

**30.3%**

less compared to traditional PPO plans.



**37%**

Percentage of clients currently using direct-to-employer contracting or a reference-based pricing strategy (a 6% increase from 2019).

## Case Study: Direct-to-Employer Contracting



In 2020, a MedBen client **contracted directly** with an area health system, and offered a wrap-around PPO network for out-of-area care. The table below shows the positive effect direct-to-employer contracting had on the Client’s claim costs with the contracted health system.

|  |                    |
|--|--------------------|
| Submitted Claims from Health System                  | \$4,862,223        |
| Excluded <i>(duplicate, not covered, carved out)</i> | -\$169,757         |
| <b>2019 Allowed <i>(Prior to contract)</i></b>       | <b>\$4,204,450</b> |
| <b>2020 Allowed <i>(With contract)</i></b>           | <b>\$3,425,500</b> |

The Client saved **\$778,950** through direct-to-employer contracting in 2020.

**6.6% of Paid Medical charges (\$1,751,458)** shifted from non-contracted providers to the contracted health system.



# EXPANDED PHARMACY SOLUTIONS

**M**edBen Rx minimizes the effect of rising drug costs and reduces your spending significantly compared to other PBMs. In 2021, we're introducing expanded pharmacy solutions that enable plans to be even more flexible at targeting and solving opportunities that traditional PBMs can't... or won't allow. As always, we offer transparency and a guarantee that all savings and 100% of rebates go back to you.



MedBen Rx clients spend an average of **21.6%** less when switching from other PBMs.



MedBen Rx clients save **20.0%** average cost per script (brand and generic combined) compared to other PBMs.



**2.4%** Average Rx cost trend per employee for MedBen Rx clients (compared to 11.2% for other PBMs).



**81%** Percentage of clients currently using MedBen Rx pharmacy solutions (a 6% increase from 2019).

## Close Up: More MedBen Rx Solutions Means More Savings

MedBen Rx pharmacy solutions now include:

**"Cost Plus" pricing** uses a drug's acquisition cost as a baseline to reduce your costs – you pay what the pharmacy pays.

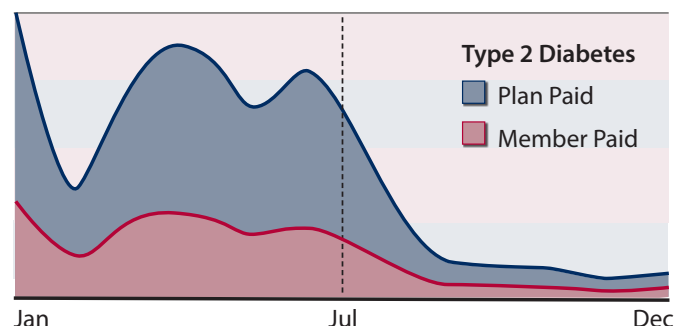
**Comparative Effectiveness** uses evidence-based research to provide members with the most effective drugs at the best cost.

**Own Use** brings together non-profit hospital systems and local pharmacies to deliver lower-cost drugs for qualified entities.

**340B** administrative and compliance services, available to eligible covered entities to maximize 340B savings.

## Case Study: Focused Formulary Reduces Rx Spend

A client used evidence-based research to focus their formulary on drugs that would produce the best outcomes, effective July 1.



**Monthly plan paid amounts for Type 2 Diabetes decreased by 77%.**

# A PROACTIVE WELLNESS APPROACH

**W**ith personal health at the forefront in 2020, the value of preventive care took on even greater importance. Cancer, heart disease and Type 2 diabetes were all found to increase the risk of severe illness from COVID-19. But because MedBen WellLiving clients encouraged a proactive wellness approach, their members continued to benefit from better health and reduced costs.



MedBen WellLiving clients outperform those not using WellLiving by an average of

**8.8%**



On COVID-19 case costs, MedBen WellLiving clients spend an average of

**17.1%**

less than those not using WellLiving.

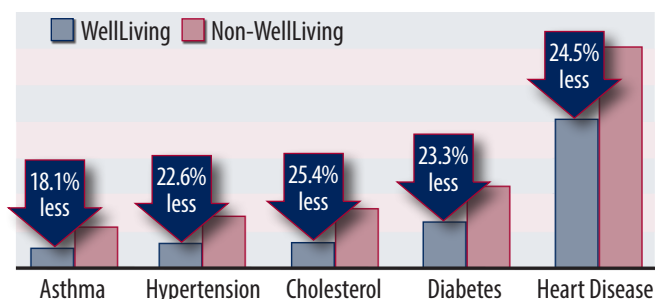


**45%**

Percentage of clients currently using MedBen WellLiving wellness solutions.

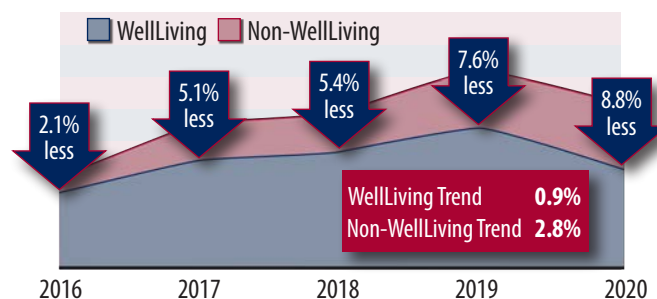
## Close Up: Targeting Major Chronic Conditions

MedBen WellLiving clients spend less per member on all major chronic conditions compared to non-WellLiving clients. Identifying and managing these conditions early lowers your risk of developing future health problems, saving you money in the long term.



## Close Up: WellLiving vs. Non-WellLiving Trend

From 2016 to 2020, MedBen WellLiving clients saw significantly lower trend and claim costs compared to clients who didn't use WellLiving – and the gap grows every year. In 2020, WellLiving clients spent \$1,141 less per employee than those who didn't use our wellness program.





# GOING BEYOND THE SAVINGS

In addition to the savings you see on the balance sheet, MedBen delivers in other ways... like timely regulatory updates from our Compliance team... quality assurance through ISO 9001:2015 Certification... added privacy and security safeguards... and online shopping convenience for FSA and HSA members. Regardless of the circumstances, if we're not delivering to your expectations, let us know.



## COVID-19 Resource Center

Our Compliance team assembled a COVID-19 Resource Center at MedBen.com. On this dedicated page you'll find links to a range of COVID-19 information pertinent to your plan, as well as regulatory summaries.



## ISO 9001:2015 Recertification

MedBen earned ISO 9001:2015 recertification following an audit of its Quality Management System. Preserving certification requires we understand client expectations and determine whether our processes meet them. Having quality standards in place also aided in a smooth transition to working from home.

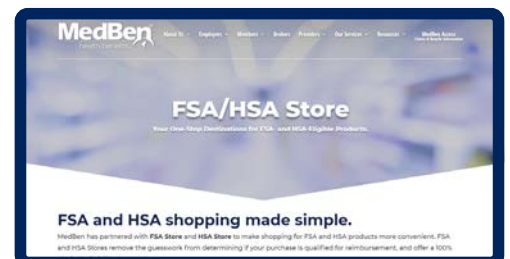


## Privacy & Security

The transition to working from home required MedBen to maintain rigorous safeguards to ensure the privacy and security of your information. Our Technical Services team uses full disc encryption, an enterprise suite of security software, and multi-actor authentication to harden each endpoint and ensure every employee's computer is safe to leave the building. Employees also continue to train on how to recognize and detect external attempts to access our systems.

## FSA/HSA Store Partnership

MedBen partnered with FSA Store and HSA Store to make shopping for eligible products more convenient. When you use your MedBen debit card at the FSA Store, you don't need to substantiate your purchase!



**ISO 9001:2015 CERTIFIED**

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