

A woman with voluminous, curly, reddish-brown hair is smiling and looking down at a white tablet she is holding with both hands. She is wearing a light blue blazer over a dark blue top. The background is a blurred office interior with large windows.

Custom Design Benefits

Innovative Cost Containment Solutions for Employee Benefits

+Inside

13th Annual
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THIRD ISSUE
NEWSLETTER
2020

Executive Spotlight

Letter from Julie



Greetings!

As Fall begins to usher in the final quarter of a uniquely challenging year, we're driven by a renewed energy coming out of our 13th Annual Customer Conference. The conference lets us reflect on the previous year and plan for next year, and we hope you all enjoyed seeing what all the buzz was about. Through the rest of this edition of the newsletter, you'll learn more about the conference sessions and see for yourself why we're so excited.

Each year we strive to make sure the customer conference offers useful information to consider as you prepare for your annual enrollment, and this year was no exception. We shared data related to the impact COVID-19 has had on CDB so far and this issue's Executive Analytics covers some of those findings. In the conference section, you'll also learn about how our partners are helping to address high drug costs and the increased need for mental health services during the pandemic.

We wanted to share some team success, too. Custom Design Benefits received its fifth Top Work Place in Cincinnati award earlier this year and last month we were voted Ohio's Best Employee Benefits Company by readers of Ohio Business Magazine. In addition, CDB is one of the top 25 women owned businesses in Cincinnati. We're honored to have our hard work recognized!

As always, I hope you have a successful quarter and thank you for your continued partnership.

Best regards,

Julie D. Mueller
President & CEO

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Executive Analytics

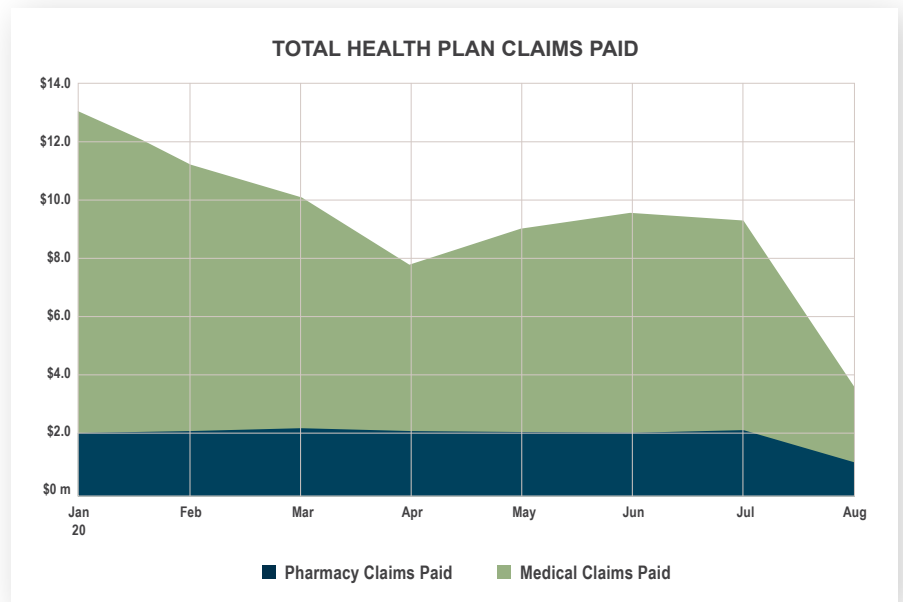
The coronavirus pandemic has had an impact on nearly every part of our country, especially healthcare. At Custom Design Benefits, we want to make sure you have the information you need to make decisions, so we're offering some of our own findings.

As of the end of August, 30,000 members covered by Custom Design Benefits have had 2,157 COVID-19 tests performed, with 141 of those tests being positive (0.5% positivity).

Thankfully, CDB clients have only had 18 inpatient hospital stays for an average billed amount of \$19,682,

which comes in under the average estimated in-network amount per privately insured patient of \$38,221, according to FairHealth.org. On the whole, spending on claims dropped during the pandemic as elective procedures were postponed or canceled and emergency room visits declined.

You can see how the pandemic has affected your group's performance using the reports found in Executive Analytics.



Hospital Rate Transparency Moving Forward

A federal judge recently upheld the CMS final rule for hospital price transparency and we're now within 3 months of the implementation date. Hospital systems delayed implementation due to the coronavirus pandemic and in hopes of a win in their appeal but now will need to rush to comply with the new requirements. The short deadline is going to put a strain on hospital systems, some of which are only just now beginning to look seriously at the requirements. Learn more by reading the article below.

[READ MORE](#)

Compliance Corner & FSAs



As we enter the last few months of 2020, there is still time to take advantage of IRS permitted changes to § 125 cafeteria plans. These optional changes allow employees more flexibility and control over their 2020 elections, to alleviate the impact of the COVID-19 pandemic.

Election Changes

IRS Notice 2020-29 allows cafeteria plans to permit employees to make any or all of the following mid-year changes to elections:



- 1. Health coverage** – make a new election if the employee initially declined coverage, revoke an existing election and make a new election with the same employer, and revoke an existing election and attest in writing that the employee will enroll in other health coverage not sponsored by employer
- 2. Health Care FSA** – revoke an election, make a new election, or decrease an existing election
- 3. Dependent Care FSA** – revoke an election, make a new election, or decrease an existing election

These mid-year election changes are allowed on a prospective basis, and are entirely optional. Additionally, the employer can place limitations on these allowed changes, such as only allowing elections to be decreased but not revoked, or setting a certain time period during which employees may make election changes.

Extended Period to Incur Claims in 2020

IRS Notice 2020-29 also permits plans to allow employees to use amounts remaining in a health care or dependent care FSA at the end of a plan year or grace period ending in 2020 to pay or reimburse expenses incurred through December 31, 2020.

FSA Carryover Increase to \$550

Under IRS Notice 2020-33, the maximum unused amount in a health care FSA that may be carried over from a plan year starting in 2020 to the subsequent plan year beginning in 2021 increased to \$550.

Amendment Deadline

For any of the plan changes described above, as long as the changes are communicated to employees, the amendments do not need to be completed until December 31, 2021, and can be retroactive to as early as January 1, 2020.

The 13th Annual Customer Conference

Speaker Highlights: Specialty Alternative Funding Solution

We would like to say a collective thank you to all of our guest speakers at this year's conference:

- Soaring Drug Costs, L.G. Hanzel, RxResults
- Today's Need for Accessible Behavioral Health, Rob Previte, Call A Doctor Plus
- Specialty Alternative Funding Solution, David Galardi, Paydhealth
- Self-Funding in a COVID World, Adam Russo, The Phia Group



We also want to thank the incredible team at the Hard Rock Casino in Cincinnati for helping us implement precautions to make the event safe for those who attended.

SPEAKER HIGHLIGHTS — Specialty Alternative Funding Solution Dr. David Galardi, Paydhealth

paydhealth Change the Conversation

POTENTIAL SAVINGS
OF UP TO

50%

500+

SPECIALTY DRUGS
COVERED

Dr. David Galardi of Paydhealth broke down how alternative funding solutions can take some of the pain out of specialty drug costs. Alternative funding is now found in two main forms: copay assistance programs (CAP) and patient assistance programs (PAP). CAP uses manufacturer coupons to adjust the copay or coinsurance for a specialty drug, while PAP avoids the specialty claim by seeking an alternate source of funding.

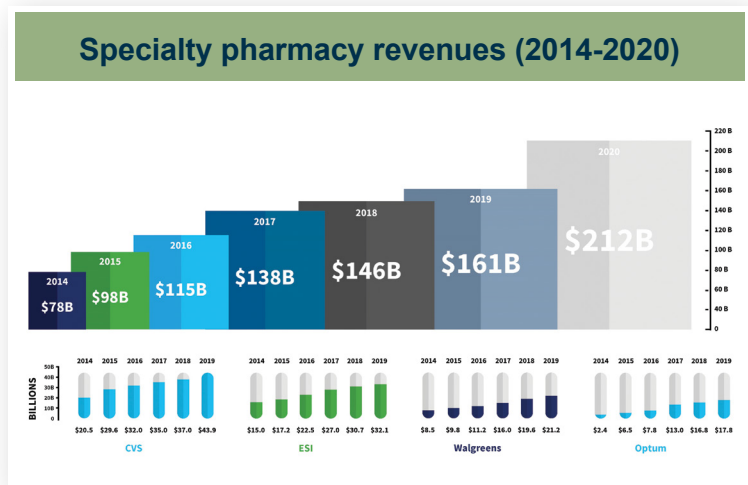
The alternative funding market is currently valued at \$20 billion, with more than 10,000 programs covering almost all specialty drugs. The market is growing at 17% year-over-year and gets funding from some of the largest pharma and tech companies in the country: Pfizer, Merck, Gilead, Google, Microsoft just to name a few.

The 13th Annual Customer Conference

Speaker Highlights: Soaring Drug Costs

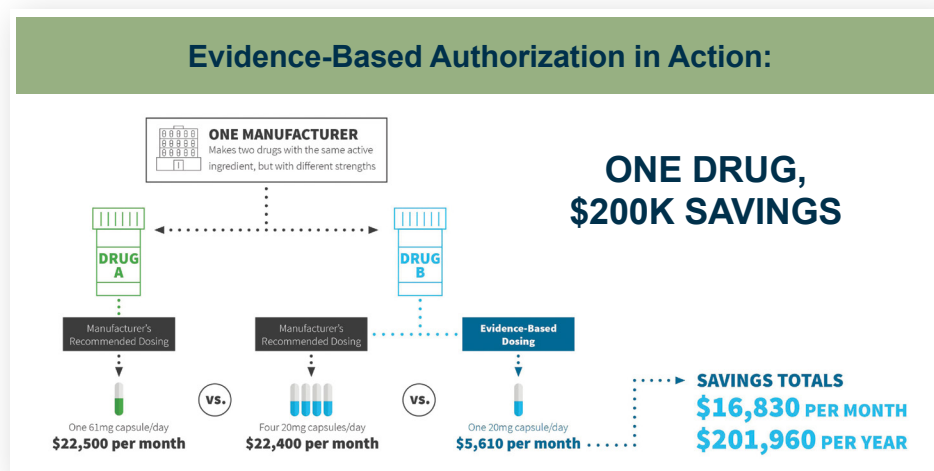
Soaring Drug Costs L.G. Hanzel, RxResults

L.G. Hanzel from RxResults presented evidence-based strategies to help reduce drug costs and prevent waste stemming from drug formularies. These strategies were developed to address the challenge of ensuring access to necessary medications that are proven safe and effective while also providing cost controls for employers.



At RxResults, they've put together a team of independent pharmacists and benefit industry experts to identify plan risks and cost saving opportunities through a proprietary analytics platform and clinical rules engine. This allows them to deliver unprecedented insights into drug costs and utilization trends, enabling smart, effective recommendations that are actionable and produce real savings.

One area these savings can be realized is in more effective prior authorizations for specialty drugs. CDB's Specialty Prior Authorization program with RxResults saved employers \$2,187,370 in 2018 and then \$2,571,504 in 2019. In addition, formulary guidance for maintenance prescriptions are estimated to generate \$100,000 in plan savings annually per 1,000 member lives.



The 13th Annual Customer Conference

Speaker Highlights: Custom Care and Specialty Medication Management

• Custom Care Takes on Specialty Medication Management

CDB Chief Operating Officer Terri Martin gave an update on Custom Care's specialty medication management program, designed to align and control specialty medical and pharmacy costs by working with PBM partners and RxResults. The program works by combining several cost containment components that provide patients access to the medications they need while lowering plan spend.

Custom Care uses these strategies:

- RxResults prior authorization put into place
- Buy & Bill medical requests approved at or below specialty cost as determined by PBM
- Client are informed of approvals, denials, exclusions and specialty medication cost
- Members receive case management outreach to ensure proper utilization
- Facilitate 340B program access
- Adding alternative funding program for high cost specialty drugs with RxResults, MagellanRx and Paydhealth

Custom Care continues to evolve as one of the industry's leading population health management programs with this renewed focus on specialty medication management, and we're excited to put these measures in place to help our clients fight back against high drug costs.

PPO Plan Negotiated Rate Inflates Cost

RATES		BILLED CHARGES	DISCOUNT	ALLOWABLE
Specialty Drug Rate	XGEVA 120 MG	\$11,895.81	\$9,621.20	\$2,274.61
PPO Plan Rate	XGEVA 120 MG	\$11,895.81	\$2,973.95	\$8,921.86
Additional Plan Cost				\$6,647.25 EVERY 60 DAYS

Phia suggested contract language and plan language to allow for payment of specialty drugs at the specialty pharmacy rate. This is being incorporated into provider contracts, starting with St. Elizabeth Healthcare.

The 13th Annual Customer Conference

Speaker Highlights: The Case for Accessible Behavioral Health and Self-Funding in a COVID World

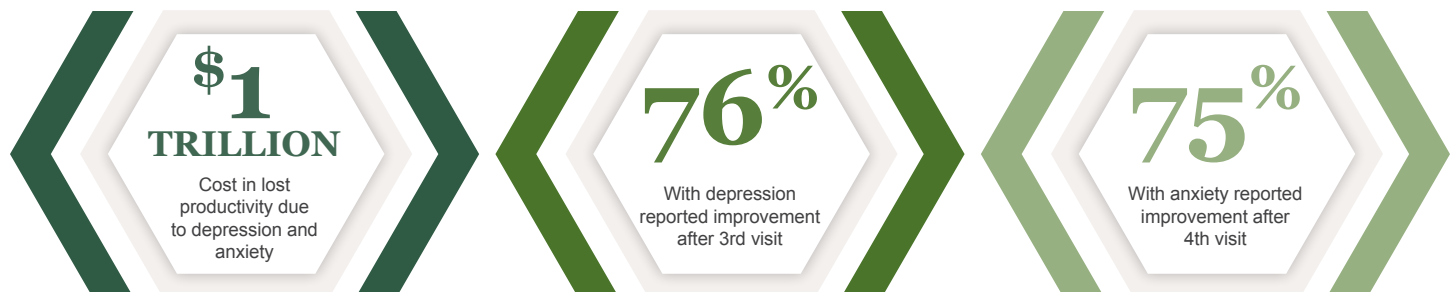
The Case for Accessible Behavioral Health

Rob Previte, Call A Doctor Plus

Call A Doctor *Plus*

Rob Previte of Call A Doctor Plus reminded attendees of a critical but sometimes overlooked component of telehealth: accessible behavioral health. Nationally, the coronavirus pandemic has increased utilization of telehealth services, and Call A Doctor Plus reports 92% resolution and 98% satisfaction for their mental health virtual services. Previte reported COVID-19 amplified mental health concerns, with 47% of employees saying mental health was negatively impacted by the pandemic. To help employers provide meaningful support, Call A Doctor Plus strives to remove barriers and provide easy access to care with experts available 24/7 by appointment or on demand.

Call A Doctor Plus has been a great addition to the benefits plan for many CDB clients. Employees enjoy having no copay and unlimited access to care, and the service helps employers and employees both save money and time.



Self-Funding in a COVID World

Adam Russo, The Phia Group



Adam Russo from The Phia Group closed out the day's speakers confronting healthcare trends appearing during the COVID-19 pandemic. Healthcare utilization, a shift to virtual care, an increase in mental/behavioral health support and the remaining prevalence of balance billing all challenge a plan's success in the current environment.

Russo reported results from a nationwide survey that showed 72% of consumers have changed how they used traditional healthcare, which includes delaying health care services, going to a

The 13th Annual Customer Conference

Customer Satisfaction Survey and Silent Auction

hospital, or intending to delay future care. However, 49% of respondents felt very comfortable picking up prescriptions from their local pharmacy. Telehealth opinions are also on the rise, with 46% of consumers comfortable using telehealth now and usage having tripled during the pandemic. This shift to virtual care by consumers comes with a significant economic savings: \$250 billion in healthcare spending could shift to virtual care models due to COVID-19.

These trends present self-funded employers with an opportunity to use plan design to maximize effective care strategies for their population. Employers should take advantage of the tools at their disposal to create a health benefits package that can generate savings and healthy outcomes despite the pandemic.

Customer Satisfaction Survey

Thank you to everyone that participated in our survey and took the time to provide our team with valuable feedback

We are please to announce that the winner of the \$250 Visa Gift Card is

DEWAYNE VAUGHT
of Kenwood Dealer Group



Custom Design Benefits

2020 Customer Satisfaction Survey

We value your feedback. Thank you for completing this survey.

Please tell us about your relationship with CDB – check which applies to you:

I am: ☐ Self-Funded Group Customer ☐ FSA/HS/AHRA Customer
☐ Other ☐ Broker/Consultant

Silent Auction

We appreciate your generous support of our silent auction this year. We're proud to announce that this year's auction raised \$3,590 for the American Heart Association. We'd also like to thank the following partners for their donations:



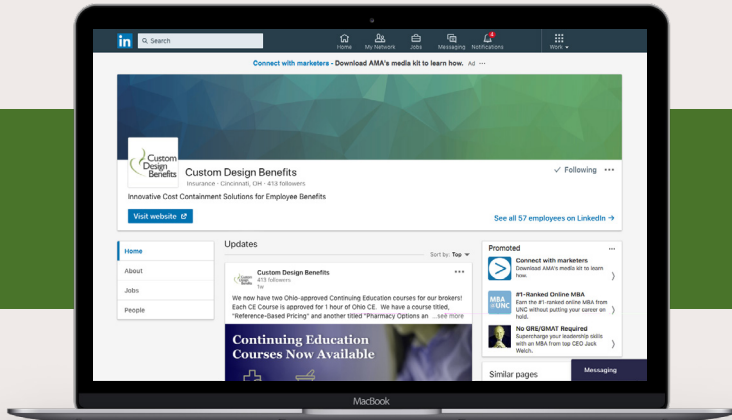
CDB Recognized!



We're proud to share that **Custom Design Benefits** was recently recognized by two organizations.

- Earlier this summer, CDB was recognized for the fifth time as a Top Workplace in Cincinnati by the Cincinnati Enquirer
- In September, readers of the Ohio Business Magazine voted CDB as Ohio's Best Employee Benefits Company
- In October, we were also recognized in the top 25 women owned businesses in Cincinnati

CDB remains committed to providing a work environment and company culture that makes our employees proud to be part of the Custom Design Benefits team.



Making Connections

Are you following Custom Design Benefits on LinkedIn?

STAY UP TO DATE on all the exciting things happening around CDB!

Thanks for reading this edition of the Custom Design Benefits Newsletter!
To learn more about the products or announcements featured, call 513.598.2929.



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