

A smiling woman with dark hair and black-rimmed glasses is sitting at a desk. She is wearing a white sleeveless top and has her hands clasped, holding a yellow pencil. On the desk in front of her are various papers, a crumpled white paper ball, and a spiral notebook. The background is a blurred office setting with red structural elements.

Custom Design Benefits

Innovative Cost Containment Solutions for Employee Benefits

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NEWSLETTER
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From the Executive's Desk



A great benefits plan that balances the needs of employees and costs doesn't happen overnight. It takes careful and tactical planning throughout the year to make everything go right.

In August, we wrapped up our 15th Annual Customer Conference, which is designed to update human resource professionals, brokers, and chief financial officers on the things they need to know about cost containment strategies for their benefits plan.

I'm happy to report that at this year's conference, "Stop the Panda-Monium of Rising Health Care Costs," we had some of our best speakers and highest attendance to date. Topics ranged from mental health programs to lifestyle spending accounts and funding for childcare services. We also heard speakers discuss the framework behind evidence-based approaches to pharmacy risk management and reviewed new rules and regulations that anyone dealing with employee benefits needs to know.

In this issue of our newsletter, we'll recap some of the most important highlights and takeaways from the conference.

For those of you who were unable to attend, I highly recommend that you contact your Account Manager for a personal overview, especially on our new offering for your plan to address mental wellbeing.

We hope the information in this newsletter can be used to your advantage and inspire some important conversations about what you would like to accomplish with your benefits plan next year.

A handwritten signature in black ink that reads "Julie D. Mueller". The signature is fluid and cursive.

Julie D. Mueller
President & CEO

Thank You For Your Feedback!



Thank you to everyone who completed our customer satisfaction survey! Your feedback is important as it informs us how well we are supporting your health care benefit plans and addressing your day-to-day questions.

Everyone who submitted the survey was entered into a drawing to win a \$250 gift card. The winner is Christopher Wells of Ohio Valley Goodwill Industries!

The 15th Annual Customer Highlights

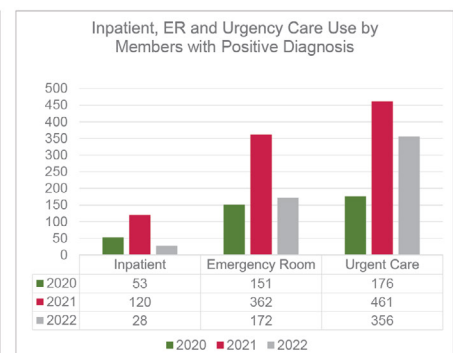
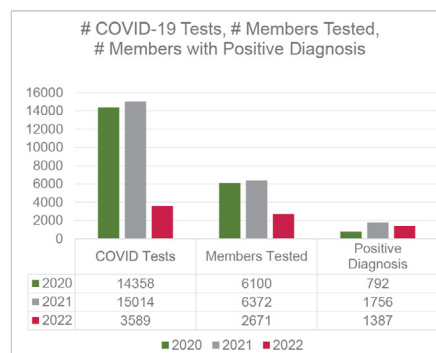
COVID-19 Positivity, Claim Costs Easing Up Among CDB Members

We're happy to report that positive COVID-19 cases and hospitalizations are continuing to decline for our members.

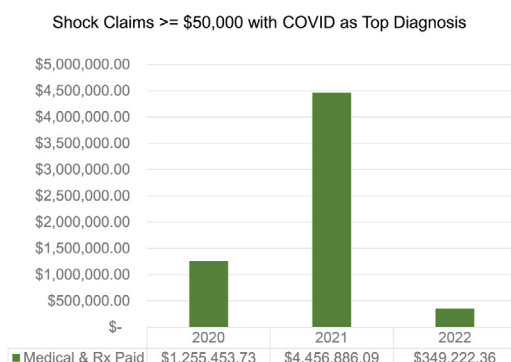
Positive COVID-19 tests declined by 21% from 1,756 members in all of 2021 to 1,387 as of July 2022. The number of members who sought in-patient, emergency, or urgent care visits has also dropped by 41% from 943 members in 2021 to 552 as of July 2022.

As a result, total COVID shock claims (claims over \$50,000) incurred by CDB members have dropped from an all-time high of \$4.5 million to \$350,000.

COVID-19 January 2020 through July 2022



Long Term COVID 2020 through July 2022



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Five Keys to Managing Prescription Drug Cost

More and more, prescription drug costs encompass a larger share of an employer's medical spending plan. According to the Society of Human Resource Managers, prescription drugs accounted for a median of 21 percent of employers' health care costs in 2021, with more than half of pharmacy spend going to specialty medications.

So, what can employers do to better control these costs? To answer that question, here are five strategies Custom Design Benefits uses to combat the high price of prescription medications:

1. Strong Pharmacy Benefit Manager (PBM) Contracts

CDB recently renegotiated its contract with MagellanRx. This resulted in more than **\$1.5 million in savings** from preferential contract terms, aggressive guaranteed discounts, and rebates for our clients.



2. Specialty Drug Prior-Authorizations

CDB contracts with RxResults to administer prior authorizations on all pharmacy claims for specialty drugs. RxResults is an industry leader in evidence-based pharmacy risk management and ensures access to medications that are proven safe and effective, while providing cost control. This eliminates the conflict of interest that exists within PBMs when they provide precertification on specialty prescriptions from the specialty pharmacy they own. In 2021, **438 specialty drug reviews were conducted which resulted in \$3.1 million in savings.**



3. Copay Assistance Programs

CDB works with a variety of organizations that offer to help patients that cannot afford to pay co-pays for their medications or insurance. Copay assistance provided **\$583,174 in savings** in 2021.



4. Alternate Funding Programs

Making an alternate funding program part of a pharmacy benefit can help to offset the cost of specialty drugs so that employers can provide access to the drugs people need. These include commercial patient assistance programs, international wholesale, grants, and charities, some of which can be customized to meet the specific needs of employers and their employees. In 2021, 28 of our clients **saved more than \$3.2 million** using alternate funding for more than 125 members' specialty drug needs.



5. TrueCost Rx Reference-Based Pricing

CDB's TrueCost Rx utilizes a reference-based pricing model for prescriptions with non-specialty drug management. TrueCost Rx compares brand-name and generic medications to identify clinically appropriate lower-cost options for patients to select. The total **savings in 2021 was \$83,075** for our TrueCost Rx clients.



Health Plan Recommendations Backed by CDB

CDB's Employee Health Plan Includes:

- TrueCost & TrueCost Rx Reference-Based Pricing
- Direct Primary Care
- Near-site Clinics
- Children's Hospital Age Limit
- Teladoc Virtual Health Care
- Mental Health Services
- Spousal Parity
- No "Dispense as Written" requests for medications
- Updated Subrogation Clauses
- Christ Hospital Centers of Excellence (ENT, Knee/Hip/Shoulder & Cardiac)
- Organ Transplant Centers of Excellence
- Trailing Spouse Language
- Alternate Specialty Drug Funding

For our PPO plans we recommend:

- Renalogic for Dialysis Claims
- Non-Network Reference-Based Pricing



Did you know the majority of the benefits plan designs that we recommend to our clients are the exact same designs we include in our own health plan?

We think it's important that we know our customers are designing a great plan. That's why we vet each service with our own employees from the inside-out.

Population Health Management Update



With population health management, we're continuing to take a more proactive approach to improve the health outcomes of our members on an individual level, while reducing the high cost of health care for chronic disease. Population Health uses actionable insights and predictive modeling to identify members who have a 25% or greater risk of hospital admission over the next 12 months. Our nurses contact each member to develop a care plan to help them avoid or reduce these risks or their severities.

Working closely with our human resources contacts, our goal is to successfully engage 75% of members who fit this category. From January 2020 to June 2022, we identified 822 members who could benefit from population health strategies, and we successfully engaged 70% of these members.

To learn more about population health management programs, [contact a Custom Design Benefits Account Manager](#).

2020 through June 2022

822
Qualifying Members



473
Engaged Members



69.4%
Overall % Engaged



Mental Health Claims on the Rise

While COVID-19 hospitalization rates are falling, the surge in demand for mental health services continues nationwide. This trend also bears out when looking at recent CDB claims data.

Among CDB members, mental health claims rose from an actual \$4 million (representing 3.6% of all claims in 2018) to an estimated \$6.2 million (9.8% of all claims in 2022). Mental health claims now rank as the sixth largest source of claim costs for all CDB clients, behind cancer, gastrointestinal disorders, cardiac disorders, health status/encounters and musculoskeletal disorders.

As a result, CDB has introduced a new fully integrated approach to mental health care with CuraLinc Healthcare to address this epidemic.

Mental Health Facts

Nearly 1 in 5 adults

In the U.S. (46.4 million) are living with a mental illness¹

119 million Americans

Live in a mental health care professional shortage area (nearly 27% of the population)²

37%

More than 1 in 3 adults have reported having anxiety or depression since the beginning of the pandemic²

43%

Only 43% of adults with a mental health disorder seek treatment to address their concerns³

80%

4 in 5 employees with a mental health disorder report that shame and stigma prevent them from accessing care³

¹Substance Abuse and Mental Health Services Administration (SAMHSA).

²Kaiser Family Foundation, ³National Alliance on Mental Illness (NAMI)



CuraLinc Healthcare:

Transformative Mental Health

Steve Wagner, Director of Strategic Partnerships for CuraLinc Healthcare, discussed how Custom Design Benefits is partnering with his company to address the demand for mental health services by reducing barriers to care through personalized navigation and guidance.

Patients that utilize CuraLinc as part of their benefits plans have 12 different ways they can access care and support including phone, in person, video counseling, text therapy, and live chats. There is also a robust digital interface with multiple tools for navigating mental health resources.



What makes CuraLinc different?

Optimized plan design

Fills care delivery and UX gaps commonly found with traditional EAP providers

Personalized access to care

12 different ways for employees to connect to mental health treatment

Inline scheduling

Ongoing care can be scheduled live with clinician or through the programs digital platform

Immediate support

Participants have in-the-moment access to licensed mental health counselors around the clock

Measurable impact

Positive outcomes for mental health, substance abuse, wellbeing and productivity

Quality mental health treatment

Provider mapping based on six distinct dimensions of quality

Cultural competence

Personalized care and support for any member of any community

Specialized resources for teens

Support delivered via in-person and video counseling, sub-clinical coaching and text therapy

Data-driven approach

System of care that measures every interaction and inflection point

Thought partnership

Collaborative approach to client service maximizes the value of the program



To learn more about CuraLinc Healthcare's mental health services, [contact a Custom Design Benefits Account Manager.](#)

EAP Plan Effectiveness & ROI



Depression

100% of employees with depression showed improvement after using the employee assistance program (EAP).



Absenteeism

Employees who used the program missed an average of 8.7 hours less work time in the following 30 days.



Alcohol Use

95% of employees who presented with alcohol use or abuse reported reduced risk after EAP participation.



Productivity

79% of employees who used the EAP reported improved productivity.

Source: The Effectiveness of Employee Assistance Program Counseling on Depression, Alcohol Misuse, Work Absenteeism and Work Productivity Outcomes (Journal of Medical Internet Research, 2022)

5.2 TO 1 Average ROI¹

¹Offset calculator in utilization reports and at EAPROI.com

Calculate Your EAP ROI

You can use CuraLinc's ROI calculator to determine how much your return on investment could be with an Employee Assistance Program here: curalinc.com/dashboard

The 15th Annual Customer Conference



Benefits in Demand: Lifestyle Spending Accounts & Employer Sponsored Childcare



In a tight labor market, attracting and retaining good employees is no easy feat for human resource teams. A competitive salary, generous PTO, and standard health care benefits can only get you so far.

That's where Lifestyle Spending Accounts (LSAs) can make a real difference, according to Amanda Guinan, CDB's Vice President of Business Development & Compliance and Jennifer Frantom, Director of Sales & Business Development for the Learning Care Group.

LSA's are customizable, post-tax benefits that allow employers the flexibility to offer a range of benefits from gym memberships and financial services to personal development classes, while reducing payroll taxes.

They can also be used to provide childcare benefits for working parents who may not be able to access affordable care. These are important work-life balance benefits for working women in particular as they are most likely to take on the majority of care giving responsibilities.

In fact, more companies are taking lessons learned during the COVID-19 pandemic and are considering offering childcare subsidies to increase employee satisfaction and engagement.

To facilitate employer-sponsored childcare benefits, Custom Design Benefits has partnered with Learning Care Group, which oversees more than 1,050 schools across 38 states and D.C.

Working together, CDB and Learning Care Group can offer companies solutions for:

Funded Child Care – Subsidies for helping employees with childcare costs

Onsite Care – For companies with many centrally located employees

Back-Up Care – When regular childcare plans fall through

Open Access – No matter where employees live or work in the U.S.

Nearly **40% of leaders** are “most concerned” about supporting working parents.

-Wall Street Journal, January 2022

60% of parents say childcare benefits would make them more likely to stay with their current employers.

-Fortune, April 2022

Childcare issues directly contributed to absenteeism and later arrivals in **90% of Companies**

-National Conference of State Legislatures, January 2022

To learn more about childcare services through the Learning Care Group, contact a Custom Design Benefits Account Manager.



HR Panel: Recruiting & Retention



Panelists Kimberly Ward, Benefits Manager, LCA-Vision, Inc., Susi Dick, HR & Benefits Manager, Shepherd Chemical Company, and Steve Lippert, Executive Vice President, Hamilton Caster & Mfg Co., discussed some of the challenges and strategies that companies and human resources teams have considered to improve employee recruitment in the current labor market. Topics included adding more flexible hours for factory workers, allowing employees to be eligible to receive benefits on the first day of employment, provisions for mental health, and offering fertility and adoption benefits. Other topics included allowing employees time off to volunteer, unlimited PTO, increasing maternity and paternity leave, and student loan reimbursement.

More Conference Highlights

RxResults & Transparency

L.G. Hanzel of RxResults examined the conflicting interests of doctors, pharmacy benefit managers (PBMs) and pharmaceutical companies that continue to drive up costs for specialty medications. The problem is multi-pronged, but by utilizing an evidence-based pharmacy risk management approach, employers and their employees can avoid inflated prices for medications and rest assured they are getting the right drug at the right time.

RxResults and CDB Impact on Specialty Drug Spending

2021	438 Reviews \$3.1 Million Savings
2022	408 Reviews \$2 Million Savings



Specialty Rx Alternative Funding

Dr. David Galardi, Pharm.D., chief commercial officer for Paydhealth, provided an overview of alternative funding sources and how these plans can help employers extend access to more affordable specialty drugs to employees who need them.

Custom Design Benefits partners with Paydhealth to assist members taking specialty drugs to connect with alternative funding sources. To date, Paydhealth has saved more than \$3.2 million for 28 CDB clients, with more than 125 members receiving their prescriptions at no cost to them.

Leveraging Quality Metrics and Plan Design to Improve Health Care Outcomes and Reduce Costs

When it comes to the price of a pair of shoes, cost does not always equal quality. The same holds true for medical care.

But absent quality metrics, most customers (patients) would assume the higher the price of a hospital bill, the higher the quality. Unfortunately, that is a fallacy many people still believe regarding health care pricing, according to Adam Russo, Esq., CEO of The Phia Group.

Price transparency alone isn't enough to reverse the trend of high health care costs, Russo said. Rather, this data should be used along with other metrics, such as case mix index, cost ratios and other benchmarks to form a better picture of a health provider's quality and performance.

AHA Silent Auction Update



\$8,745 was raised for the American Heart Association through the silent auction.

The following vendor partners donated to the Silent Auction:



Compliance Corner

Changing Benefits? Remember to Update These Key Documents

In today's job market, employers are striving to attract and retain employees. For many employers, that means re-evaluating and possibly making changes to the medical benefits they offer.

But what is not often discussed is who should be notified and what documents need to be updated to reflect changes.

When eligibility rules or time off criteria are changed, the employer usually modifies the employee handbook. Take for example, a situation in which an employer wants to change the 90-day waiting period for new hires to become eligible for benefits to a 30-day waiting period. Whenever a change that will impact benefits is made, employers should take the following steps:

- 1. Notify your third-party administrator of the change**
- 2. Update the employee handbook as needed**
- 3. Amend the Summary Plan Description**



Any time an employer changes how members are allowed to enter, terminate, or remain active on the medical plan while not actively at work (i.e., FMLA, medical leave or personal leave), the changes must be shared with the stop-loss carrier.

Why is this required? Because self-funded employers need to ensure any changes will be supported by the stop-loss carrier. Not doing so may expose the plan to additional risk. Therefore, it's wise to review any plan changes with the stop loss carrier to ensure any potential future claims will be covered under the contract.

Key Takeaways:

- Always verify the Summary Plan Description matches the employee handbook.
- Audit the employee handbook against the Summary Plan Description annually when benefits renew.
- Make sure that leaves of absence are administered according to both the employee handbook and Summary Plan Description.

Legislative Updates and Regulations to Watch

Access to Machine Readable Files

CDB has provided ungated links to the applicable files on our [Resources page](#).

We can also provide these links to employers who need to provide this same information on their respective company websites. To request links, please contact your Account Manager.

Dobbs v. Jackson: Women's Health Organization Decision

Our compliance team continues to monitor state laws regulating abortion and is reviewing summary plan descriptions to determine what each plan currently covers, excludes, or limits as it pertains to health plans and abortion services. We will use these findings and legal guidance to determine whether the plan's terms should be clarified following the June 24th Supreme Court ruling.

Enforcement of Advanced Explanation of Benefits (AEOB) Notices Delayed

CDB has been in contact with our vendor partners and is prepared to produce AEOB notifications whenever enforcement of the new rules goes into effect. The requirement, which is part of the No Surprises Act, is designed to give patients advance notice of how much they will likely have to pay out of pocket for a test or procedure.

Independent Dispute Resolution and Qualified Payment Amounts

Beginning January 1, 2022, if a health care provider requests an independent dispute resolution, CDB will work with Payer Compass to determine the qualified payment amount. Payer Compass is a CDB partner that provides health care reimbursement technology and price transparency solutions for self-funded plans.

Mental Health Parity and Addiction Equity Act: Non-quantitative Treatment Limitations

If your medical plan receives a Department of Labor request for investigation, CDB is prepared to provide data for analysis. In addition, CDB has partnered with CuraLinc Healthcare to ensure access to mental health providers for all plans effective January 1, 2023. If you do not want to add this benefit, please contact your account manager.

New CDB Member ID Cards

For benefit plan years beginning January 1, 2022, or later, all member ID cards must include deductible and out-of-pocket information to comply with No Surprises Act requirements. CDB will update and issue new ID cards to all members at no cost at renewal time.

New Continuity of Care Rule

Under the Consolidated Appropriations Act, a 90-day continuity of complex care must be provided when a health care provider leaves the PPO network. In the event that this occurs, CDB will work closely with its vendors to ensure accurate claims processing. These new rules apply to plan years beginning on or after January 1, 2022.

Price Comparison Tool and Provider Directories

To comply with No Surprises Act requirements, all TrueCost members now have access to a price comparison tool that they can use to find an accepting health care provider. Our PPO partners are currently updating their “Find a Provider” solutions with the same tool. This update applies to plan years beginning on or after January 1, 2022.

Pharmacy and Drug Cost Reporting

The enforcement date requiring health insurers to report data regarding prescription drugs and health care spending to the Departments of Health and Human Services, Labor and Treasury is Dec. 27, 2022.

To meet these new requirements, CDB is working to provide reporting on pharmacy and drug costs for benefits plans that are using one of our preferred pharmacy benefit managers (KPP, MagellanRx or ApproRx).



Contact Your Broker,
or the **CDB Team** for
more information!

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