



Health Care Primer for Employers

Autopaychecks HCM Webinar

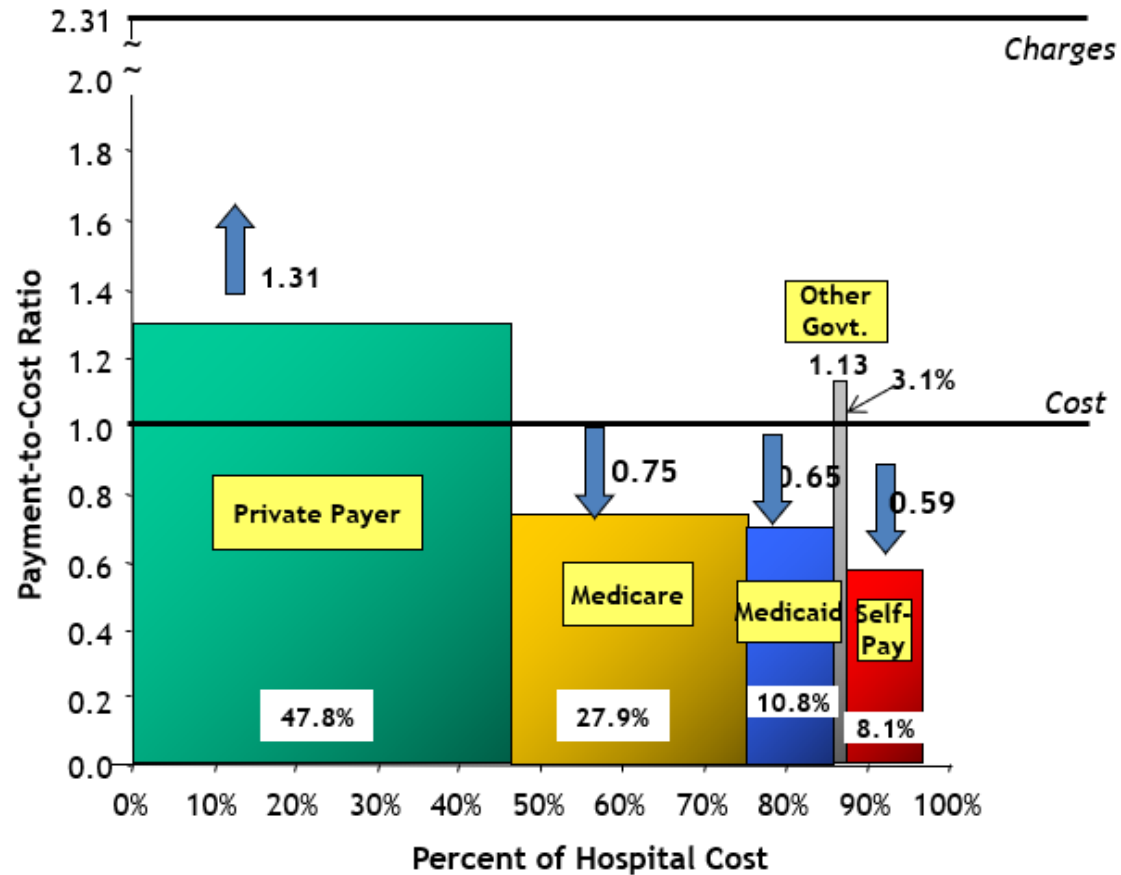
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Commercial Coverage Silos

1. Large Employer >100
 - a. Self-Funded
 - b. Fully Insured
2. Small Employer
 - a. Larger Small Employers -- 50+
 - b. Less than 50 Small Employers
3. Individual
 - a. Exchange Subsidized
 - b. Exchange or Off Exchange -- Nonsubsidized

Summary Comparison of Hospital Payment Levels in Colorado



Source: The Lewin Group analysis of Colorado Hospital Association data.

Drivers – Health Care Costs

- Statutes that shift costs or raise costs, not lower costs
- Pharmacy
- IT: segmentation, not integration
- Regulatory dysfunction
- Inefficiency of coverage by Silo
- Technological advances
- Social Determinants of Health
- Overuse of Hospitals EDs
- Fee for service
- Cost shift
- Aging
- Malpractice
- Provider Market Power
- Integration of Care (e.g. Autism)
- Nursing underuse / misuse

Some employer strategies to reduce health care coverage cost increases

1. Large Employers -- Wellness Programs/Self-Funding/Larger deductibles/Increase Employee contributions to premiums/Direct Primary Care/HRAs/HSAs
2. Small Employers -- Level Premium Plans (Self-Funding)/Larger Deductibles but limit by plans available/Increase Employee contributions to premiums/Direct Primary Care/HRAs/HSAs/Individual Coverage Integrated HRA (ICHRA)/Qualified Small Employer HRA (QSEHRA).

Note ACA Employer Shared Responsibility differences depending on size of employers.