

Administrator

Important news and updates from your benefits professionals

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Trends In Today's World

Spending Slowed in 2022

Even though the Inflation Reduction Act and the end of the Covid-19 public health emergency slowed the rise in healthcare spending last year, CMS actuaries expect health spending to rise faster than the overall economy over the next 10 years. Our nation's health expenditures, totaling \$4.4 trillion in 2022, are expected to exceed \$7 trillion by 2031 – equivalent to about \$1 out of every \$5 spent.

All About the Experience

In response to a rash of patient complaints received during the pandemic, hospitals are looking to the hospitality industry for help. Topping the list of shortcomings reflected in patient surveys were poor food, concerns over cleanliness and sanitation, a lack of courtesy and respect for patients and a failure by doctors and nurses to explain things in ways patients and loved ones can understand. Many institutions are looking to major hotels and hospitality experts for ideas.

Less Chocolate, More Bugs

It seems Switzerland is working hard to make mealworms, locusts and crickets

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ChatGPT and Health Benefits

According to a report by McKinsey & Co., ChatGPT is a type of generative artificial intelligence that uses machine learning to formulate a response to a user's request. Having learned from AI systems like Alexa and Siri, ChatGPT creates text and other content from common conversational prompts.

Can ChatGPT Enhance Health Benefits?

Keeping in mind that the ability of ChatGPT to produce reliable, accurate information is only as good as the material the chatbot was trained on, here are a few possibilities.

■ **Benefits Communications**

– Because health benefits can be complicated or perceived as such, generative AI should be able to create text, images, audio and video in language that people can understand.

■ **Open Enrollment** – We expect tools like ChatGPT to eventually help guide employees through enrollment procedures, explain benefit options and create personalized recommendations with examples.

■ **Customer Service** – A conversational style common in this technology should make it easier to ask questions and get quick responses. Filing a claim, tracking claim status, inquiring about coverage limits, copays, deductibles or availability of a provider are

just a few of the needs that could be addressed by this technology.

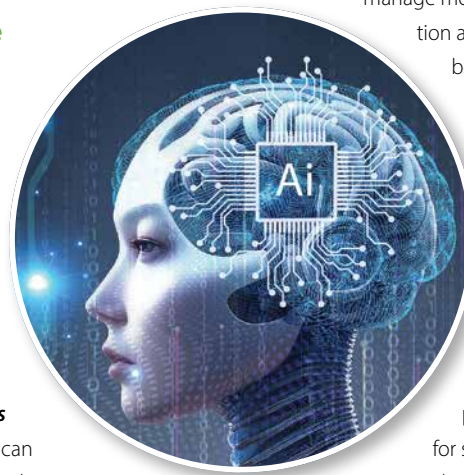
■ **Other Potential** – The ability to provide human-like responses could open the door to concierge-like tasks. Helping patients schedule appointments, manage medications or log health information are just a few ways chatbots could boost engagement and overall well-being.

Clouds on the Horizon

Similar to Internet search engines in their infancy, relying on information generated by AI-powered chatbots without fact-checking results can lead to problems. This will be critical for self-funded health plans. ERISA compliance is critical and all communication would be subject to close scrutiny should litigation ever occur.

Because ChatGPT is available to the public and not confidential, attorneys caution that using it for employee health information carries risks related to HIPAA and other patient privacy regulations.

With Congressional hearings underway and a 6-month pause for AI training in effect, it will be some time before tools like ChatGPT are active in the health benefits industry. But there is little doubt that these tools have the potential to make health benefits more valuable and far more user friendly.





Wider Coverage for Alzheimer Drugs



In response to drug manufacturers, patients and their families, the Centers for Medicare and Medicaid Services announced it would cover Biogen and Eisai's treatment Leqembi if it wins full approval and recorded evidence from physicians and patients on how the medication works.

Broad coverage for Medicare Part B beneficiaries would begin once full FDA approval is granted. To obtain expanded coverage, patients would need to be diagnosed with mild cognitive impairment or early dementia caused by Alzheimer's disease and have a doctor that participates in a registry with a clinical team and follow-up care.

HSAs to See Record Increase

As a result of high inflation rates following the pandemic, the IRS will raise annual contribution limits for HSAs by more than 7%, the highest increase on record. HSA adjustments for individuals in 2024 will go up by 7.8% or \$300.00 for contributions by individuals and 7.1% or \$550.00 for family contributions.

Even though HSAs provide a way to pay for medical expenses and save for retirement with pre-tax dollars, the Plan Sponsor Council of America HSA Survey shows that only 60% of employees eligible to enroll in a health savings account option in 2022 did so. Perhaps the record increase in contribution limits will spark greater participation in 2023 and beyond.

Trends continued

everyone's favorite snack items. To boost popularity, manufacturer's representatives throughout Europe take samples to schools and feed them to middle-school students who are usually more daring than adults. While the movement has been underway for nearly a decade, people in Europe and the U.S. still think of bugs as disgusting, no matter how they are seasoned.

Ups and Downs

While some retail giants are expanding their healthcare footprint, others are cutting back. CVS is preparing to close down its clinical trials unit at the end of 2024 and Amazon says it will soon shut down Halo, its line of health and fitness devices. On the up side, Walmart Health is expanding its

health clinics by opening new centers in several states. The company expects to have 75 health locations by the end of 2024.

PCPs Earning More

Primary Care Physicians saw their incomes rise at a faster rate than specialists in 2022 according to the an analysis released recently by the Medical Group Management Association. While median compensation rose by 2.1% in 2021, primary care physicians saw their pay rise by 4.4% in 2022. With consumer prices rising by 6.5% in 2022 according to the Labor Department, their pay increase failed to keep up with inflation. Like many other industries, healthcare providers in the southern and

western regions saw larger increases than their counterparts in the Eastern region of the U.S.

Sign of a Crisis

According to the Littler Annual Employer Survey of C-suite executives and HR professionals, nearly two-thirds say that since the beginning of 2022, their organizations have received more requests for disability and leaves of absence related to mental health conditions. Consultants say the rise may be due to new conditions stemming from the pandemic, conditions that workers were more reluctant to report in prior years or the increasingly strong push by employers to make workers return to their workplace.

Should Your Plan Cover Weight Loss Drugs?

Social media influencers have made Ozempic and other GLP-1 drugs the new craze – not for their original purpose of treating diabetes but for weight loss. The problem is that these drugs are estimated to cost about \$10,000 per person annually. And because patients regain weight when the medication is discontinued, the cost is long-term.

Some medical experts caution that the drugs haven't been in use long enough to identify long-term side effects. Others point out that GLP-1 drugs have been fighting Type 2 diabetes for nearly 20 years and are proven safe.

Finding the Right Balance

A number of serious health conditions are linked to excessive weight and evidence shows that these drugs are helping people lose weight. Combine this fact with the CDC's assessment that more than 40% of adults in the U.S. are obese according to BMI guidelines, and it's easy to understand why employers are searching for an affordable solution.

While many plans limit coverage to diabetics and rely on Telehealth, nutrition counseling and fitness programs, some are helping members who have recently sought medically supervised weight management help. As prices for GLP-1 drugs continue to rise, employers hope demand will fuel enough competition to attract new entrants and lower costs.

Are Drug Prices Really That High?



When representatives of the Kaiser Family Foundation (KFF) fact checked Senator Bernie Sanders' assertions that Americans pay 10 times more for prescription drugs than people in other highly developed countries, the results were interesting.

A 2021 study by Rand Corporation showed that in 2018, our drug prices were 2.5 times higher than in 32 other high-income, developed nations. Brand name drugs were 3.4 times higher on average but the opposite was true for generic drugs with Americans paying 84% of prices paid in other countries. The only country where the Senator's claim was correct was Turkey, where our overall drug prices were eight times higher and brand name drugs were priced 10.5 times higher.

One drug priced extremely high in the U.S. was insulin, making the \$35 monthly cap for Medicare recipients included in President Biden's Inflation Reduction Act very meaningful. Overall spending on prescription drugs was also interesting. In 2019, Americans spent \$1,126 per person on prescription drugs – \$963 by their health plans and \$164 out-of-pocket. While these levels were about twice what individuals spent in comparable countries, it was not known if the difference was due to higher drug prices or higher overall utilization.



More Market Share for Retail

Giant retailers are continuing their march into healthcare and from physicians to hospitals, traditional providers are taking notice. Companies like Walmart, Amazon and Dollar General are using their massive footprint and huge brand recognition to disrupt healthcare delivery even more. While Amazon remains involved in virtual health and primary care, their pace has slowed considerably. Walmart and Dollar General on the other hand are expanding in rural markets with more primary care clinics and additional offerings including dental, X-ray, lab and even behavioral health services in some markets.

Convenience is King

These retailers are betting that the consumer's love for value and convenience will carry over to healthcare. Some market analysts agree, suggesting that expanding health-related offerings can help retailers regain some of the in-store traffic lost to online shopping. While traditional providers are confident in their ability to withstand increased competition, some health system executives are looking for ways to respond.

The question seems to be whether these retail giants will be willing to commit to healthcare long term or stay true to their merchandising roots and quickly drop services that fail to generate revenue in the short term. With CVS currently controlling 63% of the retail market with 1,800 retail clinics in 44 states and Kroger Health at 12% market share with 220 retail clinics in 35 states, it doesn't appear that disruption in healthcare delivery is going to end anytime soon.

Testing a 4-Day Workweek

Payroll software company Gusto reports that one in four small technology and professional service companies either offer a work week consisting of 4 ten-hour days or are seriously considering doing so. Most view flexibility as a potential deal breaker that not only boosts productivity but gives their business an edge in a challenging job market.

While many would expect the 4-day week to consist of Monday through Thursday or Tuesday through Friday giving everyone a 3-day weekend, a number of owners surveyed said they prefer to vary work schedules to remain responsive to customers while still giving their people sufficient time to rest. Employers say a shorter yet highly productive work week gets the most out of employees by giving them more time to care for their families and recharge.



Did You Know? New Ideas for Healthy Consumers

What Parents Should Know About Naloxone

Record numbers of drug overdoses are killing children and adolescents in America and most are caused by opioids, including fentanyl. If someone in your home takes opioids for pain, you should keep the life-saving medication Naloxone in your home. This drug, available as a nasal spray, is easy to use and can reverse an opioid overdose in minutes.

While children can unintentionally ingest an opioid that's in your home, the biggest concern facing parents and young people is the illicit availability of fentanyl and counterfeit pills that look like real prescription tablets. These pills are manufactured illegally and widely available through social media platforms such as TikTok and Snapchat.

Recognizing Opioid Overdose

Naloxone should be administered at the first sign of an overdose. Common signs can include unconsciousness or unresponsiveness; shallow, slow or no breathing; limpness, pale skin with blue lips or fingertips; slow or irregular heartbeat or pulse; vomiting or gurgling noises; slurred speech or very small "pinpoint" pupils in the eyes. Easy to follow instructions are provided on the package and many online videos are available as well. Because Naloxone is only a temporary treatment, call 911 immediately after giving it and stay with the patient until emergency medical help arrives.

Readily Available in Your Community

Naloxone can be purchased without a prescription by contacting your local pharmacy and stating that you would like to receive naloxone through your state's "standing order." While your health plan will likely be charged, there typically is no copay. Some local community organizations also make Naloxone available for free. The FDA recently approved Nalmefene, also known as Opvee, another nasal spray for emergency treatment of opioid overdose in people 12 years of age and older.

Swim Safely This Summer



While water safety tips may seem trivial, the American Academy of Pediatrics reminds us that accidents do happen. And while most people expect a drowning to be loud and visible, it can happen to a child

very quickly and quietly. Because incidents are often hard to spot in a crowded public pool, lifeguards recommend brightly colored or patterned bathing suits for children rather than blue.

When a child is in the water, undistracted supervision by a good swimmer is a must. One dedicated water watcher for every one or two children is recommended. If you're with a group, share the responsibility. Private pools must have a lockable barrier to prevent a child from wandering into the water. If you fill a small inflatable pool for a toddler, empty and drain it after each use.

Even children who are good swimmers can have an accident or overestimate their ability. Keep swimming healthy and fun for the whole family this summer by keeping it safe.

Note: This newsletter is not intended as a substitute for personal medical or employee benefits advice. Please consult your physician before making decisions that may impact your personal health. Talk to your benefits administrator before implementing strategies that may impact your organization's employee benefit objectives.



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Let's Talk 