

CALIFORNIA BROKER

VOLUME 38, NUMBER 7

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For a complete list of the program rules go to: rebrand.ly/Incentive2020

CALIFORNIA BROKER

APRIL 2020

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Subscriptions and advertising rates, U.S. one year: \$42. Send change of address notification at least 20 days prior to effective date; include old/new address to: McGee Publishers, 3727 W. Magnolia Blvd., #828, Burbank, CA 91505. To subscribe online: calbrokermag.com or call (800) 675-7563.

California Broker (ISSN #0883-6159) is published monthly. Periodicals Postage Rates Paid at Burbank, CA and additional entry offices (USPS #744-450). POSTMASTER: Send address changes to California Broker, 3727 W. Magnolia Blvd., #828, Burbank, CA 91505.

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Printed and mailed by Southwest Offset Printing, Gardena, CA.

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DPC Has Arrived in Los Angeles

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What Is Your Real Value?

By ALAN KATZ

You add value to the insurance products you sell. You must. After all, you sell the same policies at the same price as the agency down the street.

Why did your clients choose to do business with you? Do you know? Or do you only think you know?

Are you a commodity?

A few years ago, a colleague of mine, Susan Cotton, did a survey of insurance agency websites. She looked at over 100 of them. They were of all types and in multiple states. What she found is that the vast majority of agencies saw their value as delivering one or more of the same four attributes: experience; cost saving; service and partnership.

There's nothing wrong with delivering any of these values. They are all important. They simply don't differentiate one agency from the other. When everyone is delivering the same value message, then it just becomes noise. From a prospect's perspective, working with one agency is no different than working with another.

These agencies are commodities. And being a commodity is a disaster when it comes to growing a business. When is the last time you bought paperclips by brand name? Being a commodity means closing a sale is not something you earned. Rather, it is the result of being in the right place at the right time.

Yet many of the agencies Susan examined were successful. How does that happen if they are just like everyone else? Maybe agencies were wrong about their value. Maybe consumers were not selecting them because of their experience, cost saving, service or partnership. Maybe their value was something else.

What's in your clients' minds?

If not the value they communicate on their web site, what value were these agencies delivering? The answer lies not in their mind, but in their clients' minds.



This is the insight of a marketing concept developed in the 1970s by Al Ries and Jack Trout in their book "Positioning: The Battle for Your Mind." They posited that marketing success requires companies to occupy a unique position in their clients minds.

The key here is what matters is not what a company thinks, but what their customers and potential customers think.

There was a time when "soda" meant one thing: "cola." And cola meant soda. You were either Coca Cola, Pepsi Cola or a regional cola like RC. It didn't really matter, at least not in terms of sales. This was frustrating for the company selling 7UP. They tried to convince consumers that a lemon-lime carbonated beverage could be a soda, too. Consumers weren't buying – the message or the product. The 7UP folks could have fought on with the same message. After all, they knew they were a soda. Instead they stopped marketing what they thought they were (lemon-lime soda) and focused on what consumers wanted (cola).

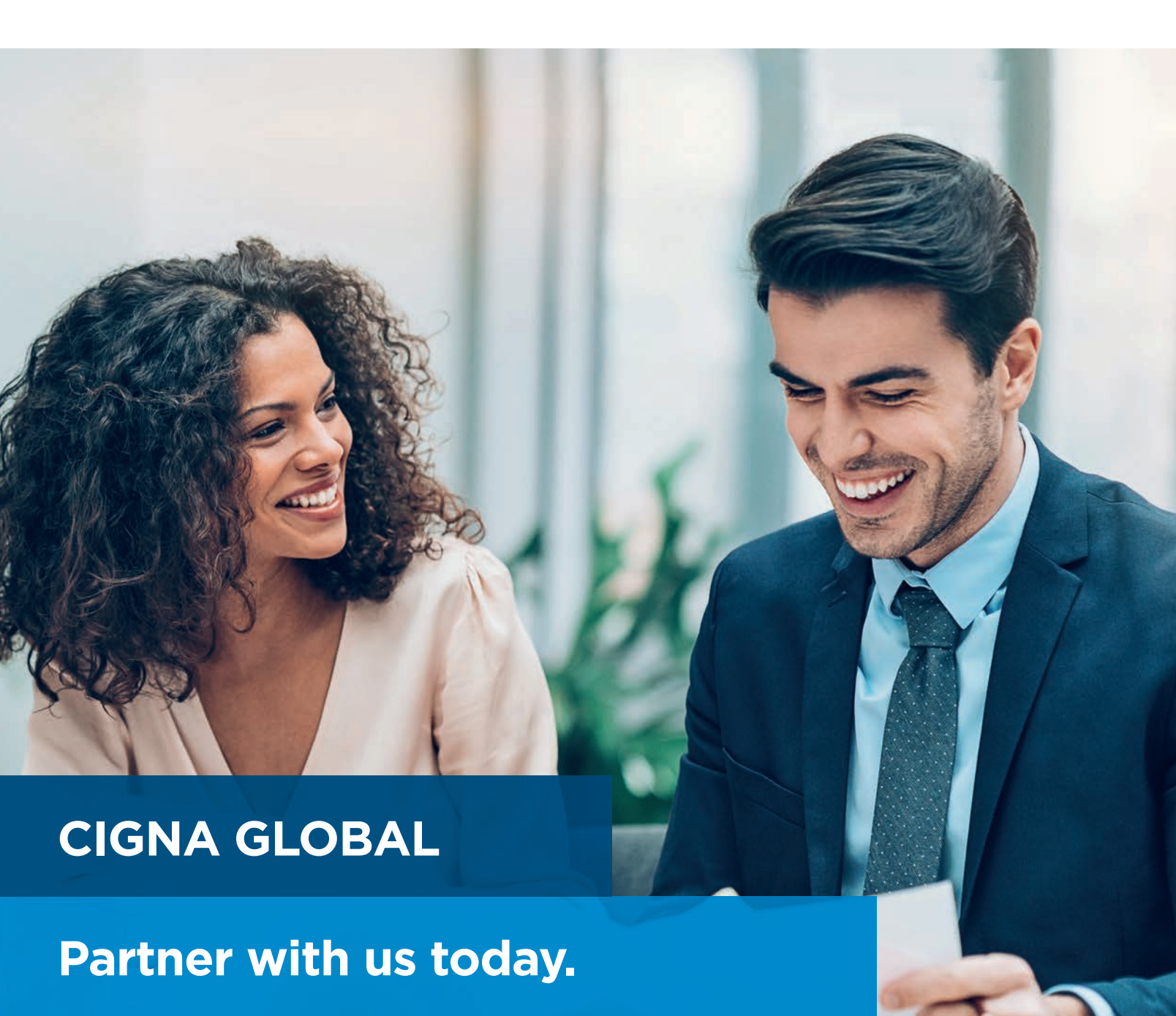
In 1967, 7UP launched their UnCola campaign. And 7UP sales skyrocketed.

How well did the campaign work? The UnCola campaign was launched over 50 years ago. The company hasn't called their product the UnCola in decades. In fact, subsequent marketing teams have tried to distance themselves from the position. Yet, if someone today says "UnCola," you probably think "7UP." That's occupying a unique space in the mind of consumers. And it is a great example of how well positioning works.

What's your position?

Like 7UP, you may think you know what value you deliver. Your website may proclaim what you believe to be your value. However, what you think isn't what matters. Your real value (or, as Reis and Trout would put it, your position) is not found in your own head. What matters is what your prospects and clients think.

Fortunately, it is easy to find this out. Just ask them.



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After all, your clients chose you for a reason. They could have gotten the same policies for the same price from the agency next door. Yet they are your clients and new ones are likely to choose you for the same reason.

Find that reason.

Set aside an hour a day for a week to call your clients. And ask them why they chose to work with you. The more clients you ask, the more likely a trend will emerge. You may find it's how you explain things. Or your emphasis on wellness. Or how you bring non-insurance products and services to the table. Or they liked your agency name. Whether you like the reasons or not, you'll at least know them. Whatever trend you discover reflects your current position. The niche you presently occupy in their minds. This is the value you deliver.

Be careful, however. Your position can change. In fact, it may need to change. Your goal, after all, must be to discover not only what value you deliver, but the value you need to deliver to succeed. At one time an agency could stand out by shopping the market and making it easy for prospects to compare their options. Now consumers can shop and compare products on their own.

An agency who staked its value proposition – intentionally or not – on delivering a service that no longer matters needs to adjust. Which means there's a second question you need to ask your clients. And this one is even tougher – for you – as you may not like the answer. What would they

like their insurance agent to deliver?

You may find all they care about is cost. Then again, it might be advice on health. Or discounts on gyms. Or something you never imagined. They are your clients and your goal is to earn more of them.

The power of two questions

These two questions can help you discover your position.

- What value does my agency deliver to you?
- What value would you like my agency to deliver to you?

Once you ask the question, be sure to listen. You are not calling to make a sale. You're asking to learn what value you add to the products you sell. With those answers in hand, you can build a marketing message that helps you stand out. You can avoid being a commodity and be unique. You have something to communicate that will drive business to you.

Wondering how to most effectively communicate your value? That's next month's topic.



Alan Katz is a co-founder of NextAgency, an agency management system with CRM, marketing and commission tools for life and health agencies. Learn more at www.NextAgency.com. Alan is a past president of NAHU and CAHU. He is a nationally known speaker on sales, marketing, business planning and health care reform. Alan is the author of "Trailblazed: Proven Paths to Sales Success," available through Amazon. You can follow him on Twitter (@AlanSKatz), connect on LinkedIn (www.linkedin.com/in/alankatz44) and contact him at AlanKatz@NextAgency.com.

POSTPONED TO JULY 17, 2020

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COVID-19 Is The News

At press time, California state parks were closed, San Francisco was sheltering in place, Medi-Cal offices were closed, industry events were rescheduled, workers were telecommuting, the stock market was dismal, the IRS delayed tax payments for 90 days and Governor Newsom said k-12 schools might remain closed until the end of the school year. By the time you read this, everything could be different. But one thing we know for sure is that the pandemic is real.

Surreal...that's the most common word we're hearing to describe this situation. Cal Broker would love to hear what you have to say. Please email editor@calbrokermag.com with the subject line "COVID" about what you're seeing out there and how it's impacting your business, your clients and your life. What are clients and employers asking you? How are you handling all of this?

Associate publisher Naama O. Pozniak says that group producers should remind clients that it's never too late to join their employer benefits. Also, clients can add telemedicine inexpensively to their current coverage if plans don't have it. Keep in touch with your clients. More than anything, though, keep your wits. "Think positive. Positive thoughts lead to total healing on all levels: mentally, spiritually and physically. Meditate to connect to yourself and your body and lower your stress level. Meditation allows our minds to teach us to listen and connect to who we really are, our personal essence. Healing happens within. Healing is the return to holiness and wholeness. Healing is possible and now more than ever, we should take our health in our own hands. Breathe, breathe, Breathe," says Naama.

We recommend some free online meditations with Dr.

Kristin Neff of the University of California Berkeley.

A bright spot is that the California Department of Insurance, insurance carriers and industry associations are stepping up and representing the industry with integrity at this critical time. Go to insurance.ca.gov to read all of the info and statements. We're grateful — but not surprised — that the industry is rising to the occasion. Lastly, California Broker magazine has 25,000 subscribers and our online weekly e-newsletter goes to 8,000+ inboxes (with an impressively high open rate). If you represent an industry group or association, or if you have a great idea, please let us know how we can help.

Retain your social distance, but stay close to Cal Broker. We are here for you.

The California Broker Team

MetLife Foundation to Donate \$1 Million to Food Banks Across the U.S. to Help Those Impacted by Coronavirus

MetLife Foundation announced that it has committed to donating \$1 million to food banks across the U.S. to help them deal with increased demand for their services as a result of Coronavirus. MetLife Foundation will donate funds to food banks in communities where MetLife, Inc. has a significant presence, such as the greater New York City area, Cary, N.C., Tampa, Fla., and Warwick, R.I.



Sherman with Cal Broker magazine January issue are LAAHU President Brian Sullivan (Humana), LAAHU PAC Chair Elizabeth Underhill (Underhill Insurance) and CAHU President Bruce Benton (Genesis Financial & Insurance Services).

Cal Broker GPS



Visiting the office of California Representative Brad

Sullivan (Humana), LAAHU PAC Chair Elizabeth Underhill (Underhill Insurance) and CAHU President Bruce Benton (Genesis Financial & Insurance Services).

NAHU Capital Conference 2020



At the NAHU Capital Conference 2020 on 2/25, Senator Mike Rounds (SD) discussed the victory on successfully repealing the #CadillacTax.

"Working people won a major bipartisan victory today with permanent repeal of the 'Cadillac tax.' ... This ill-advised and misleadingly named tax was threatening the health care security of millions of working people—

pushing employers to hollow out benefits while driving up

deductibles and copays. It is simply wrong to penalize workers who have successfully negotiated quality insurance coverage. Universal health care will be achieved by protecting and supporting these plans, not undermining them."

Addressing NAHU participants, Rounds explained we were victorious in repealing the tax because Republicans and Democrats agreed that the Cadillac tax was not a good idea. "I have faith in this business, it's an honorable profession," he noted. "Brokers and agents provide a service and a sense of security. Commitment is needed for you to take the lead role, doing the hard work prior to presenting plans to the public." He recommended: support your association and offer products that are great for the consumer.

PC Matic Offers Free Cybersecurity Protection for California Companies Implementing Work from Home Policies

Cybersecurity firm PC Matic announced that it is offering free cybersecurity and remote management tools to California companies who are implementing work-from-home policies in the wake of the ongoing threat from the Coronavirus. The company will offer its suite of enterprise-level cybersecurity and remote-management tools free of charge to California businesses with 10 or more remote workstations, and all onboarding and support services will be available at no charge. More info at pcmatic.com



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INDUSTRY EVENTS

CAHU Women's Leadership Summit Rescheduled to August 5-7

CAHU Women's Leadership Summit has been postponed from March to August 5-7, 2020, at the same location, the JW Marriott in Las Vegas. CAHU will automatically transfer event registrations to the new dates. If you have any questions or concerns contact info@cahu.org.

LAAHU 2020 April Annual Sales Symposium Rescheduled to July

LAAHU will postpone the April 22 Sales Symposium, AdapTech until Friday, July 17, 2020. The event will take place at Skirball Center. More info at laahu.org.

Self-Fund SoCal April 16 Event Postponed

The Self-Fund SoCal 2020 April 16 event at the Woodland Hills Marriott has been postponed. A new date hasn't been announced.

Insurance Industry Charitable Foundation Cancels All Events through April

The Insurance Industry Charitable Foundation (IICF) announced it will postpone IICF events planned through April. More info at IICF.org.

16th Annual BenefitsPRO Broker Expo 2020 will continue as planned in May

BenefitsPRO Broker Expo 2020 announced the show will go on.

BenefitPro will be May 18-20 at the Hilton in Austin, Texas.

For registration and general inquiries, please contact: Nicholas Crimi | ncrimi@alm.com | (855) 808-4540;
Patrick Matysek | pmatysek@alm.com | (855) 808-4540



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IDEAS FOR FIXING THE HEALTH INSURANCE MARKETS AND IMPROVING HEALTHCARE

BY ANTONIO PAULO PINTO

While the health insurance marketplaces and the healthcare system seem dysfunctional today, and appear to be imploding, there are opportunities to address key issues within the health insurance marketplaces as part of the federal budget. Due May 22, the budget includes a number of open legislative bills being considered by the U.S. Senate and Congress. If passed, these positive changes would take effect by October 2021, just in time for open enrollment season.

As a frame of reference, it's important to consider that having affordable health insurance is not the same as having access to affordable and timely health care!

For example, the Patient Protection and Affordable Care Act (PPACA) — also known as the ACA/Obamacare — was designed based on voluntary participation and support from the health insurance carriers and health care providers, specifically the hospital systems. However, it requires people to purchase and maintain health insurance coverage with no guarantee that their plans would provide affordable or adequate access to health care services. Ironically, there is no requirement within ACA for maintaining adequate and affordable access to the “care” aspect of healthcare. A simple example is that the ACA does not properly address the anticipated need for more doctors, nurses, and other health care service and support providers in the country. With regards to the hospital systems, the ACA did not include a charity care reporting requirement, policies, or procedures for the hospital systems to address how they would manage charity care, now that they are being paid to treat many people for whom they had previously provided free charity care. If it was about healthcare, why were doctors, nurses, support staff, etc. not an integral part of the solution?

The first priority is to protect the core ideals of ACA, understanding it is still the law and will be through at least

2021. With bipartisan support, this core should provide a common ground from which other more complicated reforms can be designed and implemented. Included in these discussions are:

- Protect guaranteed issue and cover pre-existing conditions under all health insurance plans.
- Protect no lifetime maximum health insurance dollar benefit limits for covered medical expenses.
- Protect the 10 essential health benefits.
- Protect the now closed Medicare donut hole and restructure Part D, if possible.

Three other items of concern are:

- The cost of health insurance plans.
- The cost-sharing that people pay for health care services.
- Balanced billing by providers and hospitals for out-of-network charges or other expenses not covered by the health insurance plan.

While all these items may seem like they are challenging to address, there are a few basic steps under ACA that can be taken to address them.

Where to start?

1. Introduce a national high-risk and shared-risk pool to cover people with high cost medical conditions. State-based pools will not be large enough in the smaller population states to make a significant difference in health insurance plan prices for consumers. It's realistically possible to lower health insurance plan costs by over 30 percent, by covering just the top 1 percent of people with pre-existing medical conditions through the high-risk pools. The high-risk pools should incorporate the essential health benefits (EHB)s and no lifetime limit on health insurance benefits, permanently addressing three concerns within one program.



2. Eliminate the use of the actuarial value calculator (AVC) and tiered health insurance plans, which is possible under ACA, and replace the metal tiers with an alternative health insurance plan rating program. The result would be the ability to allow the offering of health insurance plans with co-payments and eliminate the need to make people forcibly change their health insurance plan every single year.

The AVC utilizes “per-capita” spend and utilization to design every health insurance plan in the country. This forces many health insurance plans today to be structured as health savings accounts (HSA) or high deductible health plans (HDHP). The “per-capita” language as written into the ACA, can be modified to “median” spend for commercial, non-Medicaid and non-Medicare health insurance plans. If metal tiers are maintained, they can be based on the Maximum-Out-Of-Pocket (MOOP) spend of the health insurance plan. Without the AVC, there should be consideration to allow health insurance plans to mimic Medicare and be sold as Medical-only and Prescription Drug-only health insurance plans. The result would be more affordable options for people’s individual needs.

3. The ongoing lack of price transparency for health care services requires a need for a better option to pay for health care expenses, including out-of-network and balanced billing expenses. The one existing option is a health savings account (HSA). However, one must be enrolled in an HSA qualified health insurance plan in order to be able to have an HSA bank account. The best approach is to uncouple the HSA bank account from the qualified health insurance plan requirement. If someone is enrolled in any health insurance plan, they should be eligible to have an HSA bank account to pay for their medical expenses with tax deductible money. This is especially true now that many people have health-prescription drug coverage, requiring they pay separately for expenses the health insurance plan will not cover.

4. The balanced billing issue is currently being addressed with legislation under negotiation. The legislation may not be perfect. However, it is a significant step in the right direction. The average person cannot negotiate with hospitals and providers over complicated and questionable bills, especially when they happen in the emergency room, when other providers are brought into the situation without the patient’s knowledge or permission. One method is to only allow arbitration if the provider demands more than three times what Medicare would have paid for the required services; and that arbitrated bills be aggregated and publicly reported, allowing identification of providers and arbitrators that regularly pursue higher payments.

The items listed above should provide a foundation for straight forward bipartisan solutions, while others will take more effort and creativity. Two of these issues are:

1) How to address Medicaid expansion in an appropriate and long-term manner, with appropriate funding.

2) How to redesign the financial assistance subsidy program, in a realistic, appropriate, and non-disingenuous manner, allowing middle- and lower-income individuals and families a predictable method to pay for health care services and their health insurance plans.

The health care system is complicated and requires people to work together to make it better for all by addressing health insurance plan costs and the healthcare system issues that exist today. The sooner we address the issues, the sooner everyone benefits! We need to stop the partisanship and focus on creating flexible programs for states and for people, with the long-term goal being a balanced and stable healthcare system for decades into the future.

Antonio Paulo Pinto is a consultant specializing in bipartisan solutions for healthcare reform. He is the author of “My Two Cents: Taking the Care Out of Health Care.”



VISION BENEFITS LEAD TO BETTER EYE HEALTH

By DANIEL LEVY

In the past, vision care benefits used to be a “nice-to-have” that employers included as part of their overall employee benefits package. A lot has changed since then with vision now being as prominent as medical and dental insurance. This is largely due to vision playing an important role in overall preventive care, and the perception among employees that it is a highly valuable insurance benefit.

There is also an old proverb that underscores the importance of an eye exam — the eyes are the window to a whole body. A simple dilated eye exam not only provides information about an individual’s eye health but can also detect more than 30 systemic diseases, such as diabetes, hypertension, autoimmune disorders, among others. As a result, it is critical employers promote annual eye exams among their workforce, which could potentially help detect a bigger health issue.

According to Guardian Life’s 7th Annual Workplace Benefits Study titled, “Coming Into Focus: The Role of Vision Benefits and Eye Care in Health & Wellness,” interest in vision benefits is generally consistent across generations and life stages. Workers of all ages appreciate the lower out-of-pocket costs for exams and corrective eyewear, and the convenience of access through their employer. Roughly seven in ten millennials, Gen Xers, and baby boomers consider vision coverage to be a valuable employee benefit. Additionally, four in 10 workers who do not have a vision plan say they would enroll if their employer made it available.

Over the course of the years, vision care benefits have evolved to meet the needs of the consumer and to account for the new technology changing how we deliver and manage care. Below are some notable trends:

• **Meeting Consumer Expectations** — We continue to see a move toward making sure the co-pays for Medical and Vision plans are the same

(i.e. \$10 co-pay for a primary care physician visit is the same as a \$10 co-pay for an eye exam). Levelling the playing field on the co-pay is more likely to incentivize employees to visit an optometrist for an annual eye exam. Higher material allowances are also increasing - the standard used to be \$130, and carriers are now seeing more requests for allowances, such as a \$250 covered allowance.

• **Telemedicine** — Vision on the Go: Telemedicine, also referred to as telehealth, continues to be a hot topic in the industry. Today’s technology is making it possible to reduce patient wait times, provide access to eye care in rural, remote areas, and to help patients with diseases like diabetes in which non-mydriatic cameras are used to perform retinal screenings. Portable high-tech equipment is making it possible for optometrists to perform an eye test using a handheld device that sends the results to a mobile phone or iPad. Within minutes, a person can find out whether they need glasses or need to change their prescription. This, alone, makes it possible for employers to potentially bring this type of service to the workplace in an effort to promote preventive eye care.

• **Eye Health** — Our study revealed that U.S. workers reported they spend an average of 11.8 hours per day looking at computers, phones, tablets, televisions, video games, and other electronic devices. This places an emphasis on the need to educate American workers about steps they can take to practice good vision hygiene, including regular eye exams, updating corrective eyewear prescriptions, and wearing lenses while looking at screens that protect eyes from blue and ultraviolet rays. For example, we’re beginning to see more gaming and computer eyewear hit the market in an effort to help alleviate digital eye strain and promote eye health.

• **Online Market is Growing** — The accessibility of eye wear continues to expand with more consumers

choosing to purchase prescription glasses online. This trend is expected to continue with new competitors hitting the marketplace along with vision carriers focused on expanding their own online options. Despite this growth, we still encourage consumers to get a comprehensive eye exam in person to ensure they are getting the correct diagnosis and prescription from an eye professional.

Workplace Vision Health

Our study found adults with vision plans are twice as likely to have regular eye exams (65% vs. 32%) than those without the benefit. While seven in 10 employers offer these benefits, certain segments of the workforce are less likely to have coverage, such as those who work for smaller firms, the hospitality industry, and lower earning industries (income of less than \$50,000 per year). Not having access to a vision plan can lead individuals to skip regular eye exams, and neglected eye health can lead to vision damage and problems. Research has shown a connection between vision health and work productivity, with even minor vision issues causing reduced worker productivity by up to 20%. This is important to point out for brokers who are educating their clients about the importance of a comprehensive vision plan.

Lastly, it is well known that vision benefits help mitigate the out-of-pocket costs associated with exams, corrective eyewear, and blue block lens technology, which workers of all ages appreciate having access to through their employers. As more jobs require their employees to use screens, the nation’s eye health will continue to be impacted, making it more important than ever for brokers to educate employers about promoting regular eye exams among their workforce.



Daniel Levy, OD, CPHM is chief optometric officer for The Guardian Life Insurance Company of America.

LIGHT IT UP AT TRANSITIONS ACADEMY 2020

BY LINDA LALANDE



Pounding rhythms, rainbow lasers and luminous dancers ignited the stage at Transitions Academy 2020—appropriately themed 2020 Light It Up. Converging into an ecstatic light beam, 1,100 professionals from the optical industry—including eyecare professionals, vision plan representatives and brokers—gathered at the J.W. Marriott Grande Lakes in Orlando from February 2-4 for the 24th annual Transitions Academy.

The vibrant dancers amplified the 2020 Light It Up theme to welcome the invitation-only crowd from 40 countries, including North America, South America, Europe and Asia. Cal Broker joined participants treated to two days of light-themed professional development and product technology seminars. High-energy experts and educators presented innovative ways to “light up” eye care businesses with thought-provoking leadership skills and creative marketing strategies to harness industry trends with the latest science on eye protection.

Stimulating education, enticing food, fantastic displays and remarkable plays of light in the demos and

giveaways inspired plenty of good times and music to enhance the 2020 Light It Up experience. There is also plenty of good news for brokers who offer vision insurance, with science and technology advancements to make vision coverage an essential ingredient in every insurance package.

Presenters reflected the global reach of Transitions Optical with lyrical accents ranging from France, Brazil, Canada and North America to name just a few. Adding sparkle to the opening morning, Chrystel Barranger, president of Essilor Photochromics and Transitions Optical, presented how they will “Light It Up” in 2020.

The curriculum included motivating breakouts such as: Leading with Emotional Intelligence; Leading with Resilience; 2020: 10 Online Trends to Watch; Light Up Your Life; Light Up Your Sales; and Light Up Your Style, Light Up Your Store! Several keynotes from well-known motivational speakers and thought leaders—like keynote speaker Neil Pasricha, director, The Global Institute for Happiness and Davitha Ghiassi, EVP of Social & Integration for Red Havas—were also offered throughout the weekend.

Newsflash: Our eyes are suffering from light exposure

“This is a year of innovation, with two new product launches that put us light years ahead in the science and technology of protection,” Barranger announced. “October will be the rollout of our next generation of products, including Transitions Signature Gen8 style colors and our new Transitions XTRActive Polarized lenses—the best a lens can offer for all light situations, with heightened visual performance, protection and style. All framed in new fashion colors and high style to appeal to every age—from Generation 2020 to millennials to baby boomers and traditionalists. Transitions Optical has got you covered!”

We learned that Transitions Signature lenses style color collection—Amber, Amethyst, Emerald and Sapphire—are now available in Gen8 breakthrough photochromic lens technology. For those not quite ready for the world of color—no problem—there are still the iconic colors of gray, brown and graphite green available. All Transitions lenses automatically block 100% of harmful UVA and UVB light and help protect from harmful blue light indoors and out.

20 LIGHT IT UP



Transitions Optical leadership encourages attendees to “Light it Up.”



“We are here to equip you to speak to patients to make it easy to get a yes,” said presenter Charlotte Hamel, Transitions Optical director, global internal communication. “Transitions lenses offer the highest light protection index in the industry, featuring constant protection.”

What does this mean for brokers, here in sunny California?

Look to expanding your conversation around vision benefits to carry your clients into the new century with the cutting edge of style and protection. There’s so much more to coverage than ‘meets the eye.’ The science and technology behind the lenses is fascinating—illuminating how Transitions Optical builds product solutions



around protection and style.

In these climate-challenged times, brokers need to talk to companies about Transitions lenses as protection, not just when you’re in the sun, but also when you’re surrounded by digital screens inside or out, according to Elise Bioche, Transitions Optical VP of global marketing.

Have you seen the light?

Cal Broker caught up with experts at the event to explore what brokers

Elise Bioche, VP, global marketing, Transitions Optical, explains, “At a time, when so much is coming at us that we can’t control, it’s comforting to know that by wearing Transitions lenses, your eyes are protected whenever you have your glasses on.”

need to know to enhance the offering of vision coverage to employers. It makes sense that combating eye fatigue can help employees be more productive. Here’s the scoop on how, and why, it’s more critical now than ever.



Transitions Academy 2020 begins with exciting performers to get the audience energized.

According to Thierry Villette, Essilor director of science and partnerships, light is dynamic power. He explained, "Complex saturation of the eye cell creates sight pollution. Today, we are being exposed to more natural UV rays from the sun. And don't even start on the number of screens we are in contact with that dramatically increases our exposure to fatiguing blue light! Even if you limit your own screen time, our environment is filled with personal devices, office computers, and random televisions in waiting rooms, et al."

"What can we do in the face of this assault?" he asks. "With so many things we can't influence, Transitions lenses offer an elegant and powerful solution. As you move through your environment, Gen8 is designed to support the eye in intermediate and changing light. The light adaptive



Thierry Villette, Essilor director of science and partnerships says light is dynamic power. "Too much light confuses us with contradictory information."



Jonathan Ormsby, key account manager, Transitions Optical, Todd Goodall, VP of employee benefits, Brown & Brown of CT, Inc. and Kevin Cuddeback, Anthem Specialty Sales executive.

Transitions Optical employees celebrate another successful Transitions Academy.





Chrystel Barranger, president of Essilor Photochromics and Transitions Optical, introduced the new Transitions XTRActive Polarized lenses—the best a lens can offer for all light situations, with heightened visual performance, protection and style

technology adjusts to keep your vision sharp, clear and protected—outside in the sun and inside exposed to screens. You see better with Transitions lenses. Research reveals that once people choose Transitions lenses, 89% never go back.”

Viewpoint

“Transitions lenses can be a differ



Audience Lights It Up!

entiator for brokers that can be a real draw,” noted Jonathan Ormsby, key account manager, national accounts managed care, Transitions Optical. “We’re out there making sure people know what Transitions lenses are. For example, the Transitions XTRActive Polarized lenses do best in warmer parts of the country, so we strategically focus campaigns to boost that fact. And we have a whole new

line of motorcycle helmet shields with Transition lenses.

“Many people know the brand Transitions Optical and want benefits that cover it,” he states. “That means something to HR decision-makers when they can meet employee demand for the lens. So, it makes your job easier when you can go out and say – like Anthem – we fully cover for kids.”

Todd Goodall

VP of Employee Benefits, Brown & Brown of CT, Inc. (tgoodall@bbofct.com)

CB: What are you discovering here?

TG: Honestly, what I saw in the opening presentation blew me away. I’m being enlightened quite a bit by the technology and science that exists, especially within Transitions Optical. In one morning session, I learned more than I expected. Impressive.

I realize now that Transitions lenses are more and more important. Even the impact over time to the unprotected eye I was not aware of. I see a lot of research from the medical side, but I didn’t know how much is being done on vision. This protection is something I can do for myself, my child, my company that is tangible—it can give you a measure of control.

As a national company, Brown & Brown has a tremendous reach. Based in Connecticut with headquarters in Daytona Beach, Fla., we are the sixth largest independent insurance intermediary organization in the U.S. and eighth largest in the world (based on the July 2018 ranking by Business Insurance magazine). I manage the employee benefit department and am realizing a lot of things that are important from a benefits standpoint, especially vision.

CB: Do you influence your sales team in what you’re going to offer?

TG: To an extent—I’ll promote Transitions lenses back at the office because it’s something that our folks don’t know much about and the benefit is something companies definitely should offer. Ninety percent of business is focused on the medical arena. The ancillary insurance—like vision—has not been fully understood. Voluntary benefits are not new, but it’s picked up at a tremendous pace—it’s a huge opportunity for brokers. Giving employers other options to offer workers is very popular now. So, vision is absolutely a growing market. The message I got was—let’s GO—let’s sell this protection. There are still nine out of 10 people who don’t know that they have this option and should be using it.

CB: Will you encourage brokers to tell clients about Transitions lenses specifically?

TG: Certainly—from an eye protection standpoint, it will be part of the conversation. Among the agents themselves there are quite a few older folks, so there is an appeal for everyone. If it’s a level playing field, what makes you rise above? If pricing is the same or close, Transitions lenses can be that draw. Offerings like Anthem’s Whole Health can be a draw. Brokers can use these things to set themselves apart.



Neil Pasricha, best-selling author and leadership development professional, presented a keynote on having a Growth Mindset during which attendees learned how to improve their mindset and take their business and life to an elevated level. His focus was on **HAPPINESS** with three simple daily practices of 20 minutes a day for 20 days:

1. Forest Therapy – take a 20-minute walk in nature without your phone.
2. Journal – take 20 minutes to list 5-10 things you are happy about or thankful for.
3. Read – 20 pages of fiction from a real book.

Kevin Cuddeback

Anthem Specialty Sales Executive (kevin.cuddeback@anthem.com)

CB: What's different about this conference?

KC: At Transitions Academy, they are educating professionals at point of sale. To me that makes a heck of a lot of sense. Bringing together people to learn the industry and the products makes a huge difference.

CB: Have Transitions lenses enhanced Anthem's offerings?

KC: Having Transitions lenses as part of Anthem's portfolio is spectacular. Many of our members have no idea what Transitions lenses are and how important they can be to the health of your eyes. When I went in for my eye checkup, I was presented with options and Transitions lenses were part of a great overall solution for me. As a golfer, I wore these heavy clip-ons that were never comfortable. Now I don't even notice the change, but I can see so much better and I know my eyes are being protected.

Vision is one of the most popular voluntary benefits, with a tangible product. Offering Transitions lenses differentiates us. For the last 10 years, we've been one of only two carriers offering full coverage for Transition lenses to kids up to age 19 for no copay. UV protection is really important.

Vision is now part of Anthem's Whole Health Connection (AWHC), an integrated suite of benefits designed to provide a better member experience and improve the total health of our members: Medical, Pharmacy, Dental, Vision and Disability. It doesn't matter whether you're a huge employer like a Marriott or a little mom and pop barbershop, you can still get the integrated plan. Or you can separate out specific coverage as you like.

CB: Why have you created the AWHC product line?

KC: Following years of focused effort and significant investment in this clinical and technological integration, we are now achieving lower costs, better health care outcomes, and a superior overall member experience. When customers combine their medical and ancillary coverages — like vision — with Anthem, we discount their medical premium to reflect the improved health that we know members experience. The data is clear: when we can connect these plans and members healthcare data, we are showing positive outcomes.

With AWHC, we've connected it all together — looking at the entire health of an individual not just by insurance product. When you go to the dentist, doctor or vision care professional, they have the ability to review a patient's underlying health profile—medical, pharmaceutical usage — all in a HIPAA-compliant snapshot. For example, if health problems are detected through an eye exam, Anthem is able to reach out and provide additional support, such as a nurse coach to quickly get the member the care they need. And vice versa: your vision professional can see in your records if you have diabetes or are taking prescription medication that could be affecting your vision.

CB: That sounds like a massive effort! How's it playing out?

KC: Building the infrastructure was a start (that took years!). Now we are educating the providers and producing the data. We have to prove it to folks, like Todd. Technology is becoming a larger part of the insurance world. To make AWHC integration work, there has to be education for physicians, clients and members.

At Anthem, we've also made it easier for members with one ID card for all your coverage (Medical/Dental and Vision). We have one claims system so we are connecting all these touch points to ultimately provide our members with access to better care. What we are doing is beyond others capabilities. We're improving the member's, the employer's and patient's experience with simplified administration, claims, and diagnostic advances. And that should be good news for brokers!



Value Optical, winner of the 2019 Transitions Innovation award for Best in Marketing, accepts their award.

Danielle Richardson

O.D., Therapeutic Optometrist, Transitions Change Agent and yoga teacher in LA.
(zakeyes.com, <https://fierceclarity.com>, <https://www.drdaniellerichardson.com>)



Danielle Richardson,
O.D. Therapeutic
Optometrist, Los
Angeles

CB: Tell me about being a Therapeutic Optometrist.

DR: I foster more than just clear vision, I promote clarity of mind, body and soul. I founded Fierce Clarity (fierceclarity.com) a holistic health + wellness company focused on empowering millennial women through retreats and yoga classes. As a doctor of Optometry, I practice at Zakeyes.com, a boutique firm in LA's upscale Fairfax district. We are really a good match. Wellness and ocular health are our focus—showing patients that eye exams are part of a whole health approach. We opened a year and a half ago next to a popular restaurant and attract a lot of foot traffic in this fashionable neighborhood.

CB: What's your impression of the Academy?

DR: This is my second year here, and I love coming as a Transitions Change Agent. Education is so important—I'm not selling a product; I'm prescribing a product. From this conference, I am learning amazing ways to integrate Transitions lenses and the new offerings into my life, and my practice. This is going to take us to the next level.

CB: What's unusual about your practice in Los Angeles compared to other parts of the country where you've practiced?

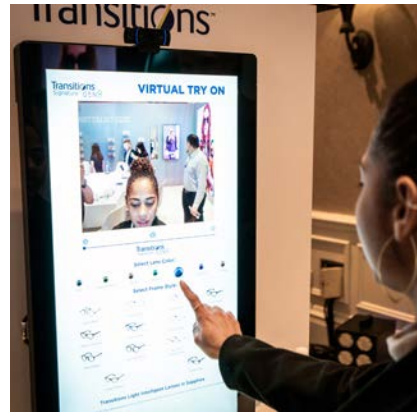
DR: Our LA clientele look for individuality and really value unique, high quality. They want to make a fashion statement so the beauty of the Transitions Optical portfolio is we can customize lenses as well as frames. Transitions Gen8 lenses are a cool offering for cool people. You put UV protection on your skin—but what about your eyes? Now with the style colors and mirrors, we can emphasize eye health by wearing high fashion protection.

We have people come in once a month to get new glasses—it's totally a fashion accessory. They want multiple pairs to match their mood and their outfits. Our primary demographic is 18-55. So, we get a bit of everyone, but all are fashion forward—a lot of young stylish kids with disposable income. Our branding is kind of cheeky with a sign outside: "Because window shopping is way better when you can actually see the windows." We're known for doing custom tinting, and so Transitions Optical's colors and mirrors really appeal while keeping eyes safe and healthy. Being able to demo the colors and frames for patients is really effective.



Attendees experience situations where light can impact vision to show how Transitions lenses can help with light sensitivity.

Davitha Ghiassi, EVP, Social and Integration, Red Havas (PR agency for Transitions) presented “2020: 10 Online Trends to Watch.” She advises to make sure your online presence is in alignment with your values with relevant and quality content.



The Transitions experience included a Virtual Try-on tool that allowed users to see themselves in Transitions lenses in all levels of tint.



Paul Webber, VP of Product, KLIM.com, says Transitions shields are a key factor in Klim creating the lightest weight helmet possible, to give you the best visibility with tremendous flexibility—you don’t have to worry about remembering your sunglasses, or fitting them under your shield.

Paul Webber

VP of Product, KLIM.com (pwebber@tetonoutfitters.com)

CB: Tell me about Transitions lenses and motorcycle helmets? It seems like a natural fit.

PW: Since 2017, Klim has been making motorcycle helmets with Transition shields which offer the best optics on the market. These are a major advantage over others which have a flip down sun shield requiring the wearers to look through two pieces of Polycarbonate. Transitions shields revolutionize the visual experience of wearing a helmet—once you use them, you never go back.

CB: How’s the Academy going for you? What’s unique here?

PW: I was most impressed with the concern about improving people’s lives. In addition to business effectiveness, and how to sell Transitions lenses, there were workshops on improving sleeping habits, emotional intelligence, organizational habits, and how to achieve a healthy life balance. The philosophy of protecting your eyes is just one element—they focus on improving the lives of the dealers and the eye care professionals.



Leading with Emotional Intelligence presenter Margaret Cooley, director of the Leadership Development Institute, Eckerd College, tells participants to smile, laugh and listen more.



Peter Sheahan, founder and group CEO of Karrikins Group, a global behavior change firm that works with senior leaders to accelerate transformation and growth, presented the closing keynote on how to “Become the Obvious Choice” of patients/consumers.



2019 Transitions Innovation Awards ceremony, where the winners of the 2019 Transitions Innovation Awards were announced.

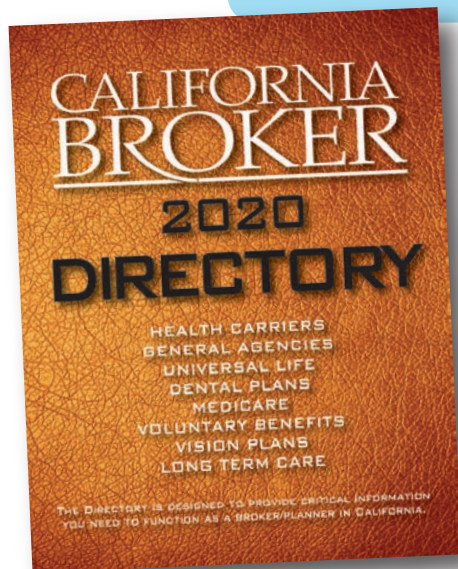


Twin eyewear designers and Transitions lenses influencers Coco and Breezy.

Want to step into the light next year and get that coveted invitation to Transitions Academy 2021? Talk to your vision plan about how you can get more involved with promoting vision benefits and be considered for this informative invitation-only event.

CALIFORNIA BROKER

Keeping up with the industry insiders in the California insurance business can be difficult. That's why Cal Broker publishes the most complete directory of contacts for virtually everyone in life, healthcare and financial planning.



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Look for it in your mail box, or if you haven't received your copy contact us at calbroker@calbrokermag.com.



The Sun, the Screen and Everything in Between: Employees Want Lens Options that Do It All

Transitions® Light Intelligent Lenses™ seamlessly adapt to changing light, from clear indoors to dark outdoors, and every shade in between.

The Productivity Problem



7 in 10 employees frequently experience digital eyestrain at work.



9 in 10 agree that lenses that help filter blue light can boost productivity and comfort at work.

Seeing the Solution



Transitions lenses help filter at least **20%** of harmful blue light indoors, and **85%** outdoors.



8 in 10 people would be more likely to enroll or keep a vision plan that covers Transitions lenses.

Transitions is a registered trademark, and the Transitions logo and Transitions Light Intelligent Lenses are trademarks of Transitions Optical, Inc. used under license by Transitions Optical Limited. ©2020 Transitions Optical Limited. Photochromic performance and polarization are influenced by temperature, UV exposure and lens material.

*2020 Transitions Optical Workplace Wellness survey

Transitions
light intelligent lenses

FOLLOW THE LIGHT: HOW TRANSITIONS LENSES CAN BOOST YOUR BUSINESS

*Interview with Jonathan Ormsby,
key account manager at Transitions Optical*

BY LINDA LALANDE

LL: What's your message to brokers?

JO: It's important for brokers is to recognize how powerful the Transitions brand is. We are putting a lot of effort into building brand recognition among consumers to inspire them to ask for coverage of Transitions Light Intelligent lenses specifically. We help employees and their companies make the connection between Transitions lenses as being comfortable, protective and fashionable—AND also a way to increase their productivity at work. The protection message really translates into workplace wellness and productivity.

Our goal is to help you to be able to communicate that message to your clients, so they can have happier more productive employees. We see it as a win-win for all. Brokers can 'follow that light' and build their own business with us.

LL: How do Transitions lenses fit into workplace wellness?

JO: Employees are using their eyes differently because of the time they spend in front of screens. Employees want to see well and want to be able to take breaks to reduce eyestrain. Digital eye strain and light sensitivity affect productivity—in fact seven in 10 employees experience digital eye strain at work. Part of that comes from not having the best eyewear that's available to them. And Transitions lenses really help with that.

With eight in 10 employees saying they'd be more likely



Sometimes vision gets left behind medical, but once brokers see the stats on productivity, and the desire of consumers and employees to have Transitions lenses, they realize how big of a draw that can be to build their business.

to enroll in or keep a vision plan that covers Transitions lenses, including this is good for both employees and employers. It's part of what our research has shown.

The opportunity is ripe to arm employers with the tools they need to implement a successful workplace wellness program, including offering comprehensive vision benefits plans that cover premium eyewear options such as Transitions lenses. Brokers play an important role in that awareness.

LL: Are there other advantages to covering Transitions for employers?

JO: Our third-party research from Wakefield Research shows that the vast majority of employees are more likely to accept a job at a company that offers vision benefits. Seven in 10 say it's important that their plan covers authentic Transitions brand lenses, rather than another brand of photochromic lenses. Further, more employees are likely to enroll in a vision plan that covers Transitions lenses and use their vision benefits wisely.

LL: What role does Transitions Optical play in the vision marketplace?

JO: We pretty much invented the protective lens category and are the category leader. As such, we feel it's important to show consumers how Transitions lenses can help them see better, work better and feel better. We are committed to driving category growth through advertising and education.

Globally, the top three brands in the optical space recognized by consumers are Ray-Ban, Oakley and Transitions Optical—so that's huge. It's really unique for a lens company

to be up there with lifestyle sunglass eyewear brands like Ray-Ban and Oakley, which have popular frames as well as apparel lines.

LL: Why do you sponsor Transitions Academy? It's a huge endeavor, and very different from other conferences.

JO: The event started as a Train-the-Trainer course 24 years ago. When we discovered how much impact it has on improving attendees' business, we expanded. Ensuring our partners success ensures our own. Our goal is to set our professional partners up at the beginning of the year, with the tools and resources they need to be successful throughout the rest of the year through education and inspiration.

From the brokers standpoint: we bring carriers and brokers here to learn about the power of the brand and technology—and to experience what we are doing with consumers to communicate the brand. They can connect the dots and see the bigger picture.

Sometimes vision gets left behind medical, but once brokers see the stats on productivity, and the desire of consumers and employees to have Transitions lenses, they realize how big of a draw that can be to build their business. We have an impressive focus on personal development with breakouts on leading with resilience and emotional intelligence, as well as more pragmatic topics such as using social media to build your business.

We partner with vision plans and have an internal sales team dedicated to work directly with brokers, so they see the value of protection, comfort and convenience. We supply materials designed for providers, members, and brokers to educate and encourage them.



***California Broker contacted
a couple of industry
leaders to weigh in on the
state of large group.***

LARGE GROUP ROUNDUP

COMPILED BY THORA MADDEN

1. What are the most important trends affecting large groups in California?

Chris Della Sala, Large Employer Practice Leader, Colonial Life:

Some trends in California impacting the large group market don't vary to a great degree from what we see in other areas of the country. According to recent industry studies comparing 2019 over 2018 results, large groups are one of the primary contributing factors to a higher-than-expected growth rates in sales for voluntary benefits brokers (along with higher penetration and a greater volume of new accounts). This exceeded the overall sales growth of general benefits brokers during the same time period.

In my observation, relying on an insurance carrier to add value beyond competitive products at a fair price that drives penetration and new account sales is becoming increasingly important. It's also evident that the trend toward the expectation of insurance carriers to provide benefits administration technology options, value-added services like student loan repayment and service funding, continues to trend upwards. As a carrier, we are often asked for funding for clients in the large group market.

According to Eastbridge's annual voluntary benefits research study, brokers who target large groups are more frequently looking to carriers for funding to support technology solutions for their clients and I expect this trend to continue.

Rob Carnaroli, VP of Sales, Sutter Health Plus:

There are three main trends to watch in 2020 and beyond. The first is technology and innovation. There are a myriad of start-up companies seeking to improve traditional healthcare delivery, uncover new access points, make the member experience more seamless, and aggregate data for better decision making. Second, there is a wave of attention on mental health services and the partnerships needed with traditional medical providers to coordinate care. Finally, we cannot ignore the upward trend in pharmacy spend which continues to be a significant cost component of the healthcare dollar.

2. What are the most effective ways to sell to large groups in California right now?

Della Sala, Colonial Life:

I always go back to value and as I stated above, I don't see that it varies much state by state. It's easy to find price and product comparisons, but employers and brokers want to know what else you are providing. For example, what enrollment methods are being offered (call center support, on-site enrollers, communication strategies, etc.)? What types of additional services (outside of insurance products) are available? Are there funding or technology solutions on the table?

The employer's goal is often to not only effectively communicate benefits offerings to the employee base, but also attract and retain new talent. In the educator market, attracting and retaining critical talent is becoming increasingly



Chris Della Sala, Large Employer Practice Leader, Colonial Life



Rob Carnaroli, VP of Sales, Sutter Health Plus

more competitive – this is one area a broker can be incredibly impactful, by providing additional services.

Carnaroli, Sutter Health Plus:

Access to care is top of mind with large employers in today's marketplace. Healthcare organizations that can offer new front doors to providers and clinicians is a great way to provide tremendous value to employers and their employees. Integrated delivery systems, such as Sutter Health, are best suited to deliver on this transformation with the ability to offer access points like walk-in clinics, video visits, virtual primary care and "fast passes" to availability. Wrap all of these with a shared electronic health record under the same delivery system, and the patient experience is unparalleled.

3. Are you concerned about how self-insurance or direct contracting may impact large group?

Della Sala, Colonial Life:

Not particularly. The insurance industry has a way of adapting to the constantly changing climate. Does it present a challenge? Certainly. The gig economy and 1099 contract labor (as opposed to W2) is evolving and growing very rapidly and we do what we need to in order to adapt and respond to the changing environment. We are focused on these professional freelancers and are committed to understanding how to better serve that critical audience.

Carnaroli, Sutter Health Plus:

Over the past five years, we have seen a growth in value-based care and a slow decline away from PPO and fee-for-service models. Direct contracting in large group is still a niche market, with some notable Fortune 500 companies. Organizations like Pacific Business Group on Health and large regional employers are exploring these solutions. However, for the majority of large employers in California, it isn't currently a viable option.

4. What do you want agents/brokers to know about large group? (i.e. changes in compliance issues or other issues.)

Della Sala, Colonial Life:

Many brokers and carriers have their own definition of "large group." It can vary from 50 lives, to 100 lives, to 500 lives and up – and market dynamics can change in each of those categories. For the purpose of this conversation, I'm going to use the definition of 500 lives and up to be consistent with our definition, which is also consistent with how Eastbridge looks at large-case business.

Large group business is more complex than down-market businesses. These businesses have unique needs, require creative solutions, have non-traditional demands, and do not fit inside a carrier's typical client "box." It requires breaking the mold of standard business practices, getting creative and often aggressive from a risk and solutions perspective. As I stated above, many times brokers and customers in this market segment are looking for funding, often in the form of a per-employee-per-month (PEPM) or license fee to offer a technology solution. We have seen this trend increasing for a while now and I fully expect it to continue.

Successful brokers and consultants thriving in today's marketplace have figured out that the key to being relevant is to be a trusted advisor to clients. Just as stock brokers of old morphed into financial advisors, the large group market demands the same transformation in brokers—from transactional duties to a more consultative position. In addition, within the employee benefits space there is tremendous pressure for affordability which is challenging the status quo around commission payments. It is important for large employers to feel the full service brokerage/consulting house is providing a strong return on investment.

Carnaroli, Sutter Health Plus:

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5. Do you have any books you're reading that you'd like to recommend to California Broker readers?

Della Sala, Colonial Life:

I don't have any related to large group that I would recommend, but I am always a fan of Start with Why by Simon Sinek.

Carnaroli, Sutter Health Plus:

"Elon Musk" by Ashlee Vance is an incredible story of the most public entrepreneur of our time who is driving radical change across three different industries. His vision, perseverance, and belief that these industries must change in order to survive parallels what is happening in the healthcare space today. Small, incremental changes don't work in healthcare; radical and bold innovations are the catalysts that will result in any meaningful progress. Those progressive companies willing to push existing boundaries will be in a great position for the future.

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Aimee Ostick, M.D. of Health & Healing Direct Primary Care in Woodland Hills, Calif.

DPC HAS ARRIVED IN LOS ANGELES

BY DANIEL CORLISS

When most health plan brokers and advisors look at how to trim the most fat off medical costs in a self-funded plan, they look at the high dollar claims, specialty facilities, inpatient and elective surgeries. These usually achieve the bulk of the savings opportunities along with Rx formulary and drug switch potential. Saving money for a health plan is very important and obviously the biggest benchmark of our success and performance as brokers and plan advisors. But, what about some of the smaller things that can bring savings to health plans, and offer value and convenience to the end user, the plan member?

Enter, Direct Primary Care (DPC) and a new era of delivering low-cost and unlimited access to primary care that focuses on the patient and not insurance carrier pre-authorizations, unnecessary diagnostic and lab testing, or treating illness with a prescription pad at every opportunity. This is healthcare delivered by a physician that cares about your health and well-being rather than carrier reimbursements and pharmaceutical kickbacks. DPC practices and physicians are only paid by their patient membership, and they have a passion for making a difference in healthcare today.

It's a feasible solution for employers who have employees and families that live near DPC clinic locations and could replace the need for a traditional PPO network. It can provide fast, convenient patient-centered care with little to no wait times. A DPC could be a great alternative for a small business that can't afford a traditional group health plan but wants to offer a healthcare solution to their employees or patrons at very low cost. I also know of people with chronic illness such as diabetes, high blood pressure, and heart disease that ditched their regular PPO plan for DPC due to their need for 3-4 primary care visits per month. Meeting their

deductible, paying their co-pay, and sitting in a miserable waiting room 30 to 40 minutes every time they needed to see their physician proved less affordable and...upsetting.

There's no better example of a passionate DPC physician than Aimee Ostick, M.D. of Health & Healing Direct Primary Care in Woodland Hills, CA. It was a circuitous route that led her to start her own DPC clinic. She did her undergraduate degree at Santa Monica College and UC Berkeley. She then attended Sidney Kimmel Medical College at Thomas Jefferson University for medical school and residency. She then trained in family medicine. After her residency, Dr. Ostick worked for Kaiser Permanente for 5 years and served a fellowship in community medicine where she practiced in free clinics and Federally Qualified Health Centers (FQHC) around the San Fernando Valley. After her time at Kaiser, Dr. Ostick joined HealthCare Partners and practiced at a high-risk clinic that focused on patients that were "frequent flyers" of the acute care system and needed critical and compassionate attention. Dr. Ostick later joined the UCLA medical system for two years before finally coming to a head with some very real problems in healthcare and care delivery today: affordability and accessibility.

She became frustrated with the bureaucracy and red tape that prevented her from practicing medicine the way she was trained, and for the Hippocratic Oath she swore to practice under – focusing on the patient's health and best interests. So, she decided to leave her job at UCLA and start her own Direct Primary Care practice in Woodland Hills, in September of 2019. She embraced juggling the ongoing duties of being a primary care physician (PCP) while parenting three children with husband Brian Ostick, M.D., director of ER services at Valley Presbyterian Hospital in Van Nuys.



Direct Primary Care is intrinsically compassionate and accessible in its design. It allows physicians like Dr. Ostick to practice unlimited patient-centered care in any appropriate setting imaginable...

"I am passionate about family medicine because it treats the whole person and in the best-case scenario, the whole family," says Dr. Aimee Ostick. "We have a broad scope of knowledge which makes us a great partner in our patient's healthcare. We guide patients through complex medical conditions in a convoluted medical system. I decided to start a DPC practice because primary care in the current insurance-based system is not tenable or sustainable," she explained. "I cannot be the PCP I was trained to be in that system. Patients deserve time and access to their primary doctor, not rushed visits and blockades. We get so much training on the psychosocial determinants of health, and then can't put any of that into practice in the current system."

I remember meeting Aimee and her husband Brian at the Los Angeles Association of Health Underwriters (LAAHU) holiday party. It was clear they go above and beyond for their patients when they shared great moments they'd had along their healthcare journey. They described a night when a DPC member called after hours because their child had somehow managed to get a piece of an apple lodged into a nasal cavity. The parents were not able to get it out. The Osticks told the family to bring the child to their home. The doctors were able to use special extraction equipment to successfully remove the piece of fruit without harming the child. And without a costly, time consuming and traumatic visit to an ER.

Direct Primary Care is intrinsically compassionate and accessible in its design. It allows physicians like Dr. Ostick to practice unlimited patient-centered care in any appropriate setting imaginable – and all for a monthly fee that is less than the cost of most single PPO primary care visits. DPC memberships range in cost based on geography, demo-

graphic, specialty, scope and whether the member is single, single with children, or married with children. Due to the elimination of billing and collection staff overhead, the cost is very affordable.

I've listed Health & Healing's prices below to give reference for what you may typically see out in the marketplace:

- Pediatric
 - with at least one adult membership \$39/month
 - without adult membership \$89/month
- Adult \$89/month
- Senior \$99/month
- Family \$199/month – includes 2 adults, 2 children (\$20/ additional child)
- There is a one-time non-refundable \$99 registration fee per household.
- After hours and home visits available within a 10-mile radius for a \$99 per visit fee.

While DPC can be more affordable and convenient, it might not be for everyone. If you travel a lot or are an employer with employees spread across multiple regions with little or no access to DPC clinics, it may not be for you.

Where it is effective, DPC provides significant savings for health plans and individuals. As important is the added value in focused care and improved convenience that you cannot hang a price tag on. Expect to see this trend and physicians like Dr. Ostick be much more present in 2020 and for years to come in emerging markets like Los Angeles and all of Southern California.

Daniel Corliss is large group health and benefit plan advisor at DC Advisory, LLC in Los Angeles. Reach him at: daniel@dcadvisoryllc.com.

Dr. Aimee Ostick, M.D., AAFP Fellow, ABFM Board Certified can be reached at <https://healthandhealingdpc.com> (818) 600-2426.

INSURANCE AND FINANCIAL ADVISORS HONOR LOCAL LEADERS

NAIFA-LA AND SFSP-LA/PASADENA JOIN FORCES



NAIFA-LA President-elect Glenn Crawford of Taylor Insurance & Financial Services, received an Agent of the Year award for the sixth consecutive year. Congrats!

BY LINDA LALANDE

Honoring role models in the insurance and financial community was the order of the day on Feb. 20 at local Los Angeles eatery, Taix French Restaurant. Nearly 100 people showed up to celebrate from the National Association of Insurance and Financial Advisors (NAIFA) LA chapter, and the Society of Financial Service Professionals (SFSP), LA/Pasadena chapter.

The event was chock full of speakers, awards and recognition. The highest honor, the Will G. Farrell Award for 2020, went to Bill Foudy of Foudy Insurance, LA. Also present was the 2019 winner, Grant D. Fraser, CLU, ChFC of Fraser Financial Group in Beverly Hills. Named for Farrell in 1949, this award (and massive trophy!) is granted annually to a member of the life insurance industry distinguished for unselfish service to others in and out of the industry.

Speakers included local members plus guests such as Kevin Mayeux, CAE, NAIFA's National CEO from Washington, D.C., and



President of SFSP-LA/Pasadena and event chair Don Harrington, CLU, ChFC, CFP, with 2019 Farrell award winner Grant D. Fraser, CLU, ChFC. Don coordinates the event for SFSP, and NAIFA-LA Executive Director Janet Fishman, J.D., (not pictured) coordinates for NAIFA-LA.

Photo Credit: William Kidston Photographer 310-739-6904



Michael Mares, NAIFA-LA national committee person; keynote speaker Eleanor Johnson, CPA, CLU, CGMA; 2020 Will G. Farrell award winner Bill Foudy; NAIFA-LA President Joanna Delloso, LUTCF, FSS, RICP, LACP; and NAIFA National CEO Kevin Mayeux, CAE, guest speaker.

keynote Eleanor Johnson, CPA, CLU, CGMA, from Seattle.

Mayeux stressed the importance of supporting the professional community in his presentation. "It's our 130th anniversary and we are focused on cultivating a culture of belonging to advance the cause of financial advising," he said. "Advocacy is our cornerstone. We are working at the state and federal level to help legislators make the right decisions to get good things done – not just stop bad things from happening. Our voices are stronger together as we do the noble work of helping 9 million American families secure their financial futures."

There are 400,000 in the profession, but only 25,000 in the organization, so opportunities for growth are abundant. "Being involved in a professional organization makes you a better producer," Mayeux said. "We're committed to elevating the profession by rolling out NAIFA 2020 strategic plan to make us more nimble, poised for growth. We are your voice, and we want to empower you to be wildly successful." Look for more about the event and the 2020 effort at naifa.org.

The afternoon continued with Johnson's keynote which was warmly received. Her topic "The Conversation BEFORE the Conversation: How to create a common dialogue that uncovers client priorities and motivates them to move forward with the implementation of planning strategies" revealed a

fresh technique. Her "three buckets" level setting approach quickly sets the stage with both clients and advisors to have a productive planning conversation or to get previously "stalled" discussions back on track. She takes the focus from what assets we have, to what those assets are FOR by defining the buckets simply as Lifestyle: what you use in your daily life; Risk: how to protect your lifestyle; and Legacy: what you want to leave to others. Her down-to-earth, touching anecdotes brought her approach to life in a most engaging and practical way. For more details, reach out to Johnson at: [linkedin.com/in/eleanorjohnson](https://www.linkedin.com/in/eleanorjohnson).

National Association of Insurance and Financial Advisors (NAIFA)'s mission is to advocate for a positive legislative and regulatory environment, enhance business and professional skills, and promote the ethical conduct of its members. (www.naifala.org)

Society of Financial Service Professionals (SFSP)'s mission is to empower our members to deliver the highest level of ethical service to their clients, by promoting mutually beneficial multidisciplinary relationships and by providing high-level, top-quality educational opportunities in conjunction with industry experts and thought-leaders. (<https://societyoffsp.org/lapa/>)



COUNTING EMPLOYEES DOESN'T ALWAYS ADD UP!

BY BARRY COHN

Do your clients know how many employees they have? Employers must comply with a number of laws and regulations that involve counting their employees such as:

- Title VII of the Civil Rights Act, as amended by the Pregnancy Discrimination Act
- Americans with Disabilities Act Genetic Information Nondisclosure Act
- Age Discrimination in Employment Act
- Genetic Information Nondisclosure Act
- Age Discrimination in Employment Act
- COBRA
- Medicare Secondary Payer (MSP) Rules Based on Age
- The Family and Medical Act (FMLA)
- California Family Rights Act (CFRA)
- The Shared Responsibility Provision of ACA
- New Parent Leave Act (NPLA)

Employee counts are used to determine what laws, rules, fees and penalties apply to employers, a health plan and/or the employer sponsor. The methods for counting employees are as varied as the laws that affect them.

Employee counts are used to determine what laws, rules, fees and penalties apply to employers, a health plan and/or the employer sponsor.



***Counting employees can leave you feeling cross-eyed.
Here is a guide for counting employees for
various laws and regulation size.***

Counting employees can leave you feeling cross-eyed.

Here is a guide for counting employees for various laws and regulation size.

1. Title VII of the Civil Rights Act, as amended by the Pregnancy Discrimination Act

2. Americans with Disabilities Act

What employers does it affect? Employers with at least 15 employees.

Who to count: Employees working 20 or more calendar weeks in the current or preceding calendar year.

How to count: Count each full-time and part-time employee as one.

3. Genetic Information Nondisclosure Act

4. Age Discrimination in Employment Act

What employers does it affect? Employers with at least 20 employees.

Who to count: Employees working 20 or more calendar weeks in the current or preceding calendar year.

How to Count: Count each full-time and part-time employee as one.

5. COBRA

What employers does it affect? Employers with at least 20 employees.

Who to count: Employees (in all commonly-owned businesses) on more than 50 percent of the typical business

days in the previous calendar year.

How to Count: Count each full-time employee as one. Count each part-time employee as a fraction, with the numerator equal to the number of hours worked by that employee and the denominator equal to the number of hours that must be worked on a typical business day in order to be covered full-time.

6. Medicare Secondary Payer (MSP) Rules Based on Age

A group health plan is the primary payer and Medicare is the secondary payer for individuals age 65 or over if their group health coverage is by virtue of the individual's (or his/her spouse's) current employment status.

What employers does it affect? Employers with at least 20 employees.

Who to count: Employees on each working day in at least 20 weeks in either the current or the preceding calendar year. The 20-employee test must be run at the time the individual receives the services for which Medicare benefits are claimed.

How to count: Count each full-time and part-time employee as one.

7. The Family and Medical Act (FMLA)

FMLA requires employers that sponsor group health plans to provide group health plans benefits to employees on an FMLA leave. Please note that public agencies and public and private schools are covered regardless of the number of employees.

Applicable Large Employers (ALE) must offer minimum essential coverage that is “affordable” and that provides “minimum value” to their fulltime employees.

What employers does it affect? Employers with at least 50 employees.

Who to count: Employees working 20 or more weeks in the current or preceding calendar year within a 75-mile radius of the applicable work location.

How to count: Count each full-time and part-time employee as one.

8. California Family Rights Act (CFRA)

Starting in 2020, CFRA applies to employers with 20 or more employees within 75 miles of the applicable work location.

What employers does it affect? Employers with at least 20 employees.

Who to count: Employees working 20 or more weeks in the current or preceding calendar year within a 75-mile radius of the applicable work location.

How to count: Count each full-time and part-time employee as one.

9. The Shared Responsibility Provision of ACA

Applicable Large Employers (ALE) must offer minimum essential coverage that is “affordable” and that provides “minimum value” to their full-time employees; must report to the IRS information about the healthcare coverage, if any, they offered to full-time employees; and must provide a statement to employees with notices called the 1095-C form.

What employers does it affect? Employers with at least 50 employees

Who to count: Full-time employees and full-time equivalent (FTE) employees in each month of the preceding year. Divide this number by 12, and if the result is 50 or greater, the employer is an ALE for the current year.

How to count: Count full-time (30 or more hours per week determined on a monthly basis) and FTE employees as one. Aggregate part-time hours and divide by 120 to determine FTEs.

10. New Parent Leave Act (NPLA)

What employers does it affect? Employers with at least 20 employees.

Who to count: Employees who have worked for an employer for at least 1,250 hours and at least 12 months.

How to count: Count each full-time and part-time employee as one.

I have reviewed employer responsibilities under the counting laws and not which employees are eligible. Employees may be eligible under these laws: COBRA, FMLA, CFRA and NPLA based on criteria set forth in each law. Employee counting for eligibility is another counting mess!



Barry S. Cohn is president and CEO of Really Great Employee Benefits, an employee benefits consulting firm headquartered in the San Fernando Valley; and CEO of JorgensenHR, headquartered in Santa Clarita. He serves on the board of directors of Valley Industry and Commerce Association and the Valley Economic Alliance. Barry holds a bachelor's degree in economics from UCLA and an MBA from Pepperdine University.

UNCOVERING THE MYSTERIES OF PHARMACY BENEFIT PLANS

BY RICK SUTHERLAND

Ever feel like Bill Murray's character in Groundhog Day? You sit down with your morning coffee and open your daily news feed to see yet another article or comment about Big Pharma, prescription drug prices, the latest medication to hit the market, healthcare mergers and acquisitions. The scene repeats itself every day in what feels like an endless cycle of the pharmacy benefits affordability struggle and the drug pricing blame game.

Meanwhile, your clients are emailing and calling you looking for guidance and innovative solutions to their spending concerns. Fortunately, as Bill Murray's character figured out, you too can re-evaluate your options and help your clients optimize their current benefit program to a more affordable trajectory.

What you need to know about pharmacy spending

The issue of pharmacy benefit affordability has never been hotter, with recent reports projecting that pharmacy spend will grow 6.1% year-over-year for the next seven years. In fact, pharmacy costs as a percentage of overall healthcare spend already have increased 40%. And more people are utilizing their pharmacy benefit, leading to more than \$0.21 cents of every healthcare dollar being spent on prescription medications.

Changes in drug mix coupled with high brand and specialty drug prices have led us to this point. Generic utilization is nearly maxed out, and specialty drugs now account for more than 45% of total costs while representing just 1% of overall

prescription claims. The reality is that we have reached the point where one prescription claim has the potential to financially devastate your clients, if pharmacy is not managed appropriately.

What PBMs don't want you to know

More than 80% of the pharmacy market is controlled by the three largest pharmacy benefit managers (PBMs): CVS Caremark, Express Scripts and OptumRx. Yet access to essential PBM services continues to be allocated based on your clients' size. Self-funding allows you to take control and significantly impact pharmacy costs for your clients.

In the self-funding model, your clients can have the pharmacy benefits either carved-in (pharmacy benefits bundled with the medical carrier) or carved-out (pharmacy benefits contracted separately from the self-funded medical plan). Either way, oversight for prescription drug spending is not usually the PBM's priority unless your client is a Fortune 100 company. It's your responsibility to fill that gap and help optimize your clients' pharmacy benefit performance.

Avoiding contract pitfalls

Whether your clients have a self-funded plan or are evaluating self-funding as an option, your biggest opportunity to optimize their benefit is by negotiating a clean, client-friendly PBM contract. PBMs have many iterations of their contracts. If you've seen one PBM contract, you've seen just one PBM contract. PBMs may use some standard language across the board, but they customize important language and terms



for each opportunity. Vague and misleading pharmacy contract language is a common issue that can dramatically affect your clients' bottom line.

There are many parts of a pharmacy arrangement that can save or cost your clients a lot of money—and not all of them are obvious at first sight. In fact, one misalignment of just a few words in a 40-page contract will result in unnecessary spending on their prescription drug benefits. More than one contract misalignment can put their benefit plan in serious jeopardy.

Keeping an eye on these five main areas will help you protect your clients' pharmacy plan from disaster.

Key questions to start the conversation

As a trusted advisor to your clients, you have a responsibility to provide them with strategic guidance about their benefits program. This starts with a detailed evaluation of their specific challenges and risk areas. Then you can formulate an optimal strategy tailored to their benefit goals. These questions can help uncover the truth about their current arrangement:

- How do you feel about your current pharmacy contract?
- What data are you using to help you evaluate the financial

and member impact of plan changes before you make them?

- What is your long-term strategy to manage ongoing pharmacy spend?
- Can you manage and adjust the pharmacy benefit as a stand-alone entity?
- What visibility do you have into the pricing terms and performance data for your plan?
- How are high-cost specialty drugs affecting your bottom line?
- What are your rights to audit and exit the contract, if necessary?

Your clients' pharmacy benefit costs can seriously impact their bottom line. Don't miss the opportunity to be the agent of positive change. They are counting on you to help them avoid getting stuck in an endless cycle of uncontrolled pharmacy spending.

Rick Sutherland works in business development for RxBenefits, the nation's first pharmacy benefits optimizer. He supports California brokers in the pharmacy benefit contracting process to help them evaluate their clients' prescription drug plans for optimal savings, service, and clinical management. He can be reached at rsutherland@rxbenefits.com.

Top 5 Risk Areas in Pharmacy Benefits Contracts

Contract Length: Most PBM contracts are long-term, three-year arrangements. This often results in stale pricing in the second and third year, and the inability to respond to the rapidly changing pharmacy marketplace. A one-year deal is the only way to ensure your clients have access to the latest pricing and rebate terms.

Pricing Terms and Definitions: Some PBMs classify brand and generic drugs using proprietary definitions that result in a brand or generic being reclassified by the PBM—making it easier for them to meet their pricing guarantees during reconciliation. Clear definitions ensure that drugs are classified properly, preferably following industry standard classifications, such as those provided in the Medi-Span Prescription Pricing Guide.

Rebate Sharing: Rebates impacted up to 30% of employers' total drug spending in 2019, with similar results expected this year. However, unclear contract language can prevent your clients from realizing this potential. Review the rebate terms to ensure they are competitive year-after-year, with a minimum guaranteed rebate amount and no restrictions.

Lowest-of Pricing: Why should your clients' members pay more than the PBM's negotiated discount for a prescription drug? This can be avoided with contract language that guarantees members always pay the lowest possible price at the pharmacy.

Misleading Guarantees: Contract language that puts vague qualifications on terms and guarantees is a huge red flag. For example, some medical carriers use language like "actuarially estimated charges" for their guarantees. If you're seeing this type of unclear language, your clients likely don't have guarantees specific to their contract and pricing terms.



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Did You Know?

Of the identity theft
victims who contacted
the Identity Theft
Resource Center
in 2018:



42%

Noted that as a result of
their identity theft incident
they are in debt and
**40% said that they could
not pay their bills.¹**



85%

**Felt worried,
angry and frustrated
because of their
identity theft.¹**



32%

**Felt that the incident
caused problems for them at
their place of employment**
(either with their boss
or coworkers).¹

Joe Zambito
Broker Relations & Sales Leader - California & Hawaii
Joe.Zambito@NortonLifeLock.com
949 201 0022



No one can prevent all identity theft or all cybercrime.

¹ The Aftermath®: The Non-Economic Impacts of Identity Theft. Identity Theft Resource Center © 2018
LifeLock and Norton by Symantec are now Norton LifeLock.

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