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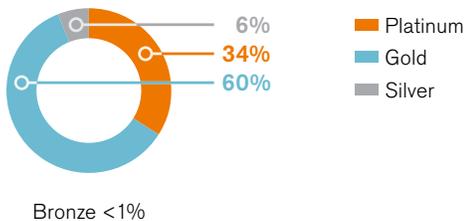
Study of Multiemployer Plans — Current Affordable Care Act Issues

Segal Consulting conducted a study of nearly 300 multiemployer health plan clients to determine what changes, if any, the trustees have made since March 23, 2010, when the Affordable Care Act became law. (The last page provides information about the plans in the study.) This report highlights the key study findings. Benchmarking data like this can help trustees better plan for the future and make more informed decisions.

Closest “Metal” Value of Plans’ Primary Coverage

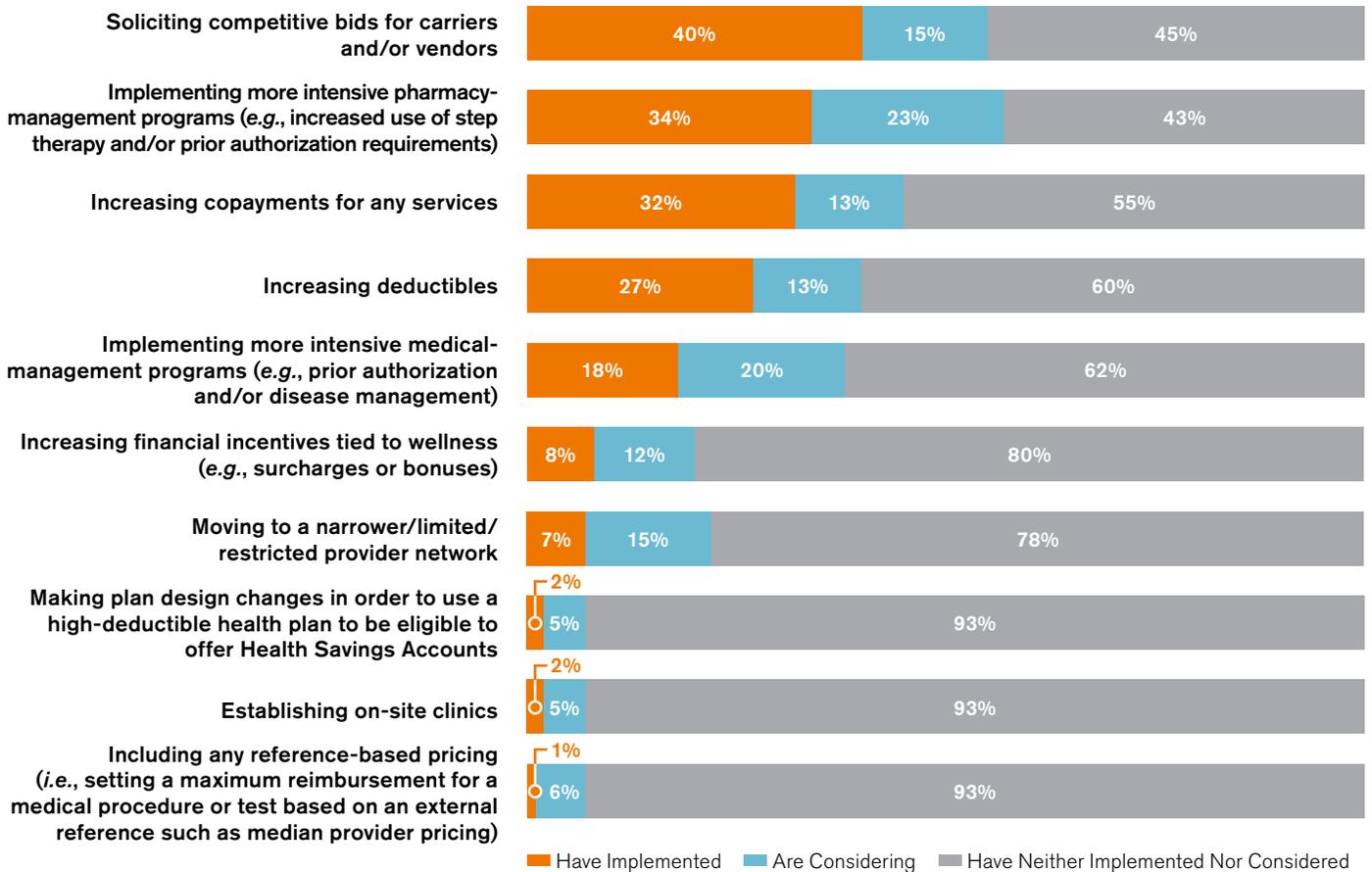
Individual health insurance coverage purchased through the federal Marketplace or a state Exchange must provide benefits at various actuarial levels: platinum (90 percent), gold (80 percent), silver (70 percent) and bronze (60 percent). To illustrate how the “metal” levels work, a platinum plan that has an actuarial value of 90 percent would be a plan that pays approximately 90 percent of eligible medical expenses. Trustees may wish to know how their multiemployer plan would pay claims based on this metal-value scale.

The chart below shows the “metal” levels of the surveyed plans’ primary coverage. For this study, Segal defined primary coverage as the plan with the largest enrollment. Segal determined the closest “metal” value according to the minimum-value calculations standards published by the federal government.



Cost-Management Strategies

The bar chart below shows whether the plan trustees have implemented, are considering or have neither implemented nor considered specific cost-containment strategies since the Affordable Care Act became law.



The study found some regional differences in the implementation of cost-management strategies:

- Implementation of reference-based pricing was highest in the West.
- Implementation of both onsite clinics and wellness with incentives was highest in the Midwest.
- Implementation of narrow networks was highest in the Northeast.

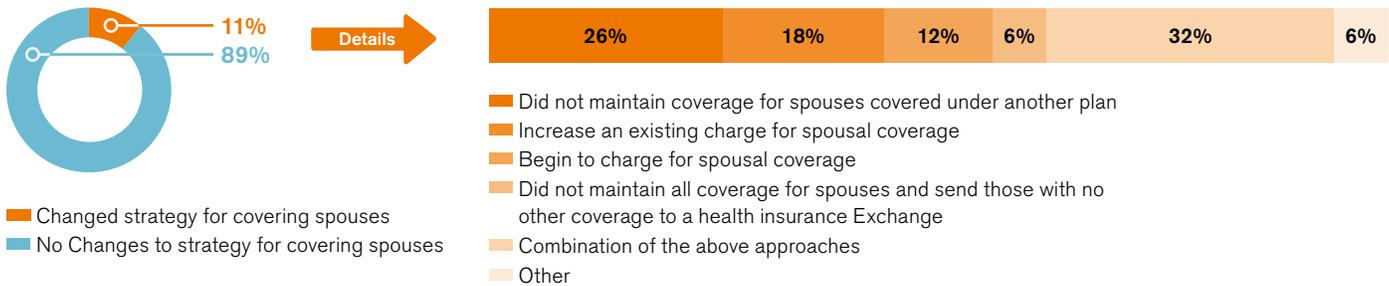
The map graph on the last page shows how this study divides states into regions.

Trustees of 12 percent of plans have implemented or are considering other cost-management strategies, such as the following:

- Transitioning to an accountable care organization or patient-centered medical home model,
- Hiring a care coordinator,
- Increasing wellness and behavior communications,
- Implementing a telemedicine program,
- Modifying eligibility rules,
- Providing participants with pricing transparency tools, and/or
- Implementing a dependent audit program.

Changes to Eligibility for Coverage

A large majority of plans in the study have not changed coverage for spouses. The 34 plans that have changed spousal coverage have used a variety of strategies.



Among the relatively few plans in the study — 68 plans or 23 percent — that had a separate category or class of coverage for part-time workers when the Affordable Care Act became law, most have maintained that coverage.



Similarly, most plans in the study have maintained coverage for retirees. Among the 33 plans (11 percent) that did not maintain retiree coverage, very few made that change only for pre-Medicare-eligible retirees.



“A large majority of plans in the study have not changed coverage for spouses. ...Similarly, most plans in the study have maintained coverage for retirees.”

About the Plans in the Study

Number of Participants



Together, the health plans in the study cover more than

1.2 million participants



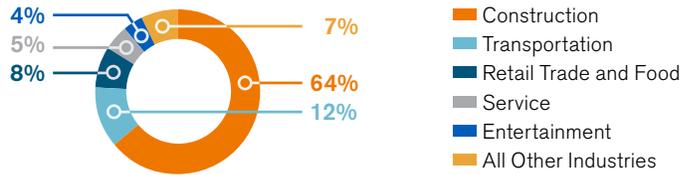
1,016,195
Active participants

200,474
Both pre-Medicare-eligible and Medicare-eligible retirees

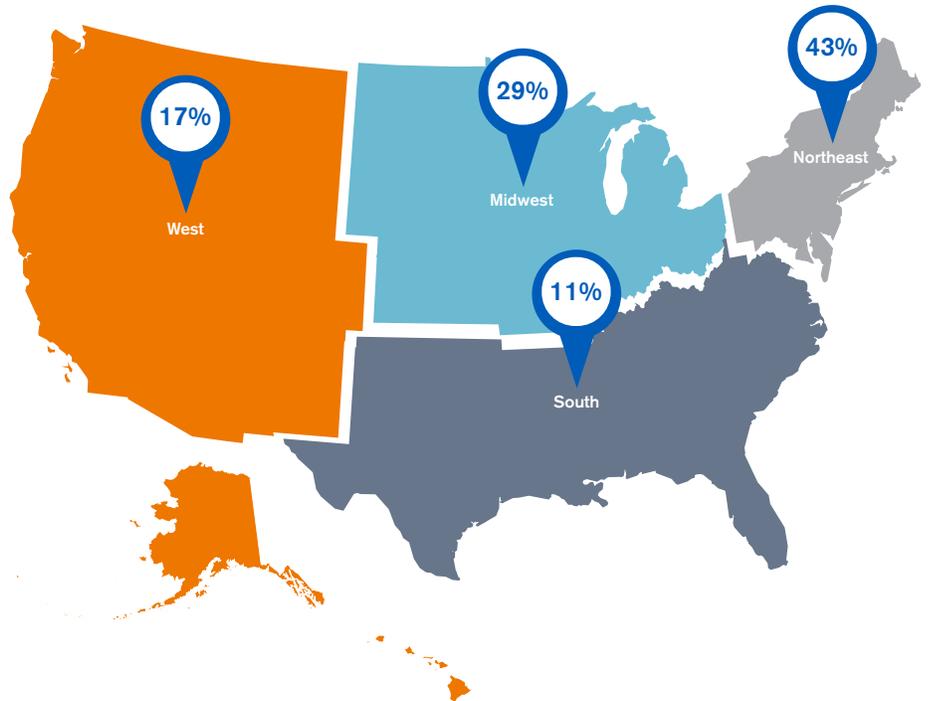
10,623
Pre-Medicare-eligible retirees only

1,650
Medicare-eligible retirees only

Industry Breakdown

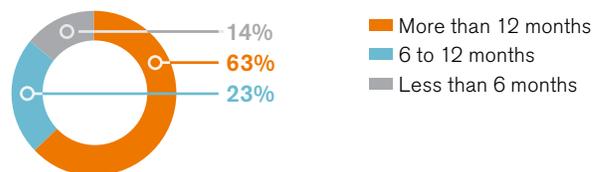


Region



Reserves

The adjacent chart shows plans' level of reserves. Reserves reflect plans' continuation value on an incurred basis. Continuation value or "months in reserve" estimates the length of time that a plan can provide benefits to its participants if all income ceases.



Questions? Feedback? Contact Us.

For information about Segal's extensive database of multiemployer health benefits and how it can be used to create custom benchmark reports, contact one of the following experts:

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