



# 2023 Member Group Meeting



# AGENDA

- Introductions
- Performance & Reporting
- 2023 RX Performance
- 2024 Renewal & Methodology
- 2024 Renewal Overview
- 2024 Benefits
- Compliance
- Account Management & Education
- Open Enrollment Timeline







# SPEAKER INTRODUCTION

- **Jay Kempton**  
Program Manager



# SPEAKER INTRODUCTION

- **Vicki Schmelzer, FLMI, HIA, SICS**  
Strategic Underwriting Solutions
- **Paul Fallisi, FSA, MAAA**  
Windsor Strategy Partners

# AHPT BOARD OF TRUSTEES



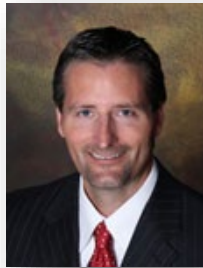
## **Priscilla Cude**

Chairperson  
First Bethany Bank & Trust  
Bethany, OK



## **Scot Long**

Vice-Chairperson  
The First National Bank  
Sterling City  
Sterling City, TX



## **Jim Dilley**

Trustee  
American Heritage Bank  
Sapulpa, OK



## **Sandy Werner**

Trustee  
First National Bank & Trust  
of Elk City  
Elk City, OK



## **Casey Barrett**

Trustee  
Texas State Bank  
San Angelo, TX



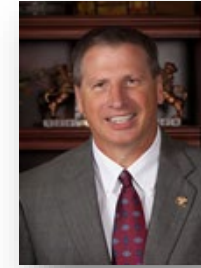
## **Joey Root**

Trustee  
First Liberty Bank  
Oklahoma City, OK



## **Evans McBride**

Trustee  
First National Bank & Trust  
of McAlester  
McAlester, OK



## **Doug Fuller**

Advisory Trustee  
Quail Creek Bank  
Oklahoma City, OK



## **Layne Brandt**

Advisory Trustee  
Crossroads Bank  
Yoakum, TX



## **John Gorton**

Advisory Trustee  
First National Bank &  
Trust of Chickasha  
Chickasha, OK





**ADVANTAGE**  
HEALTH PLANS TRUST

# PERFORMANCE & REPORTING



# PERFORMANCE & REPORTING

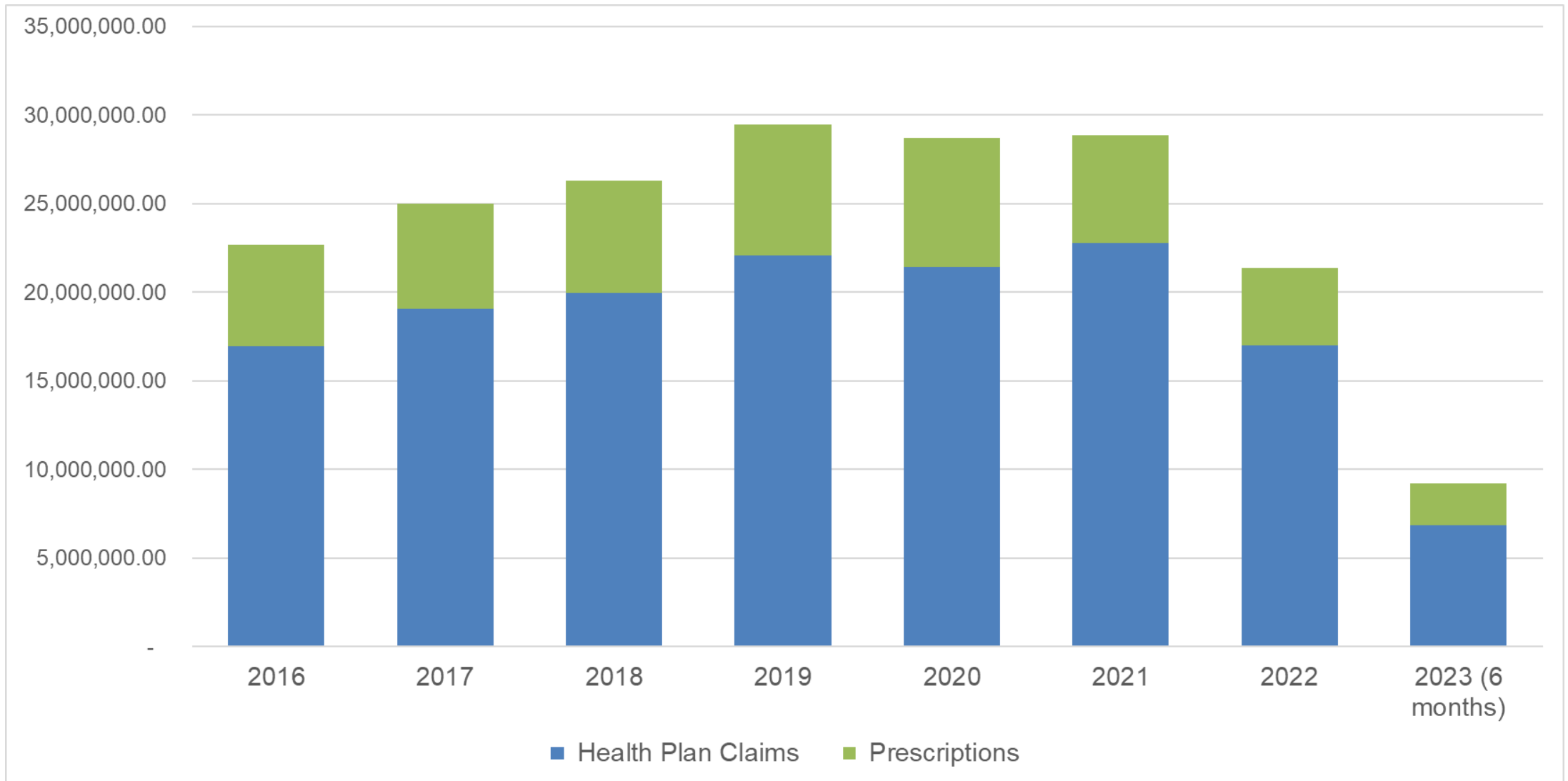
Please review the performance & reporting information included in your Annual Meeting Guide.

- Plan Performance Metrics
- Kempton Direct Access Providers
- KPPFree™ Providers
- RBP Direct Providers
- Plan Designs
- Vendor Flyers

Additional flyers & handouts are included.

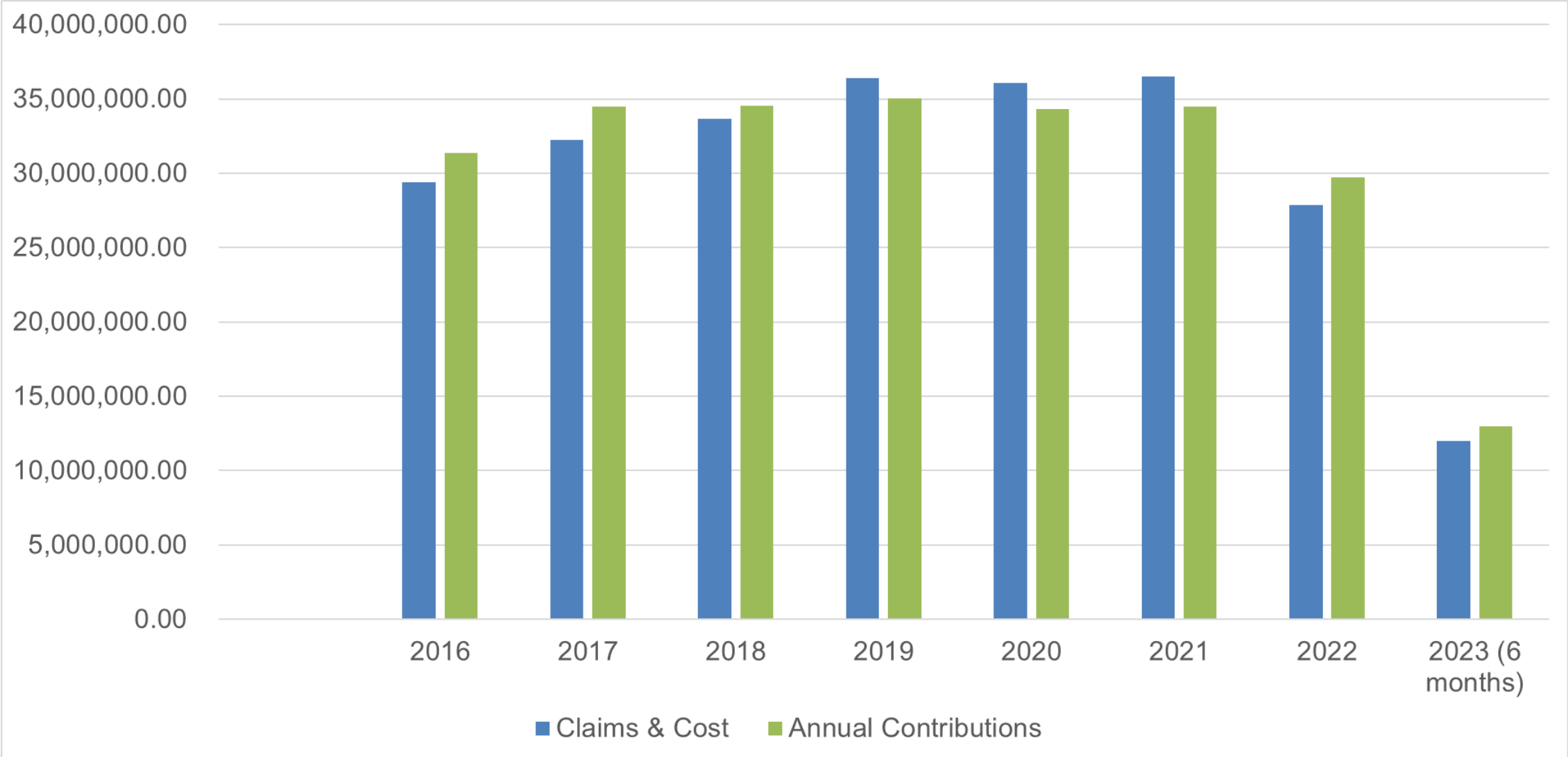


# MEDICAL & PRESCRIPTION DRUG COSTS - CLAIMS





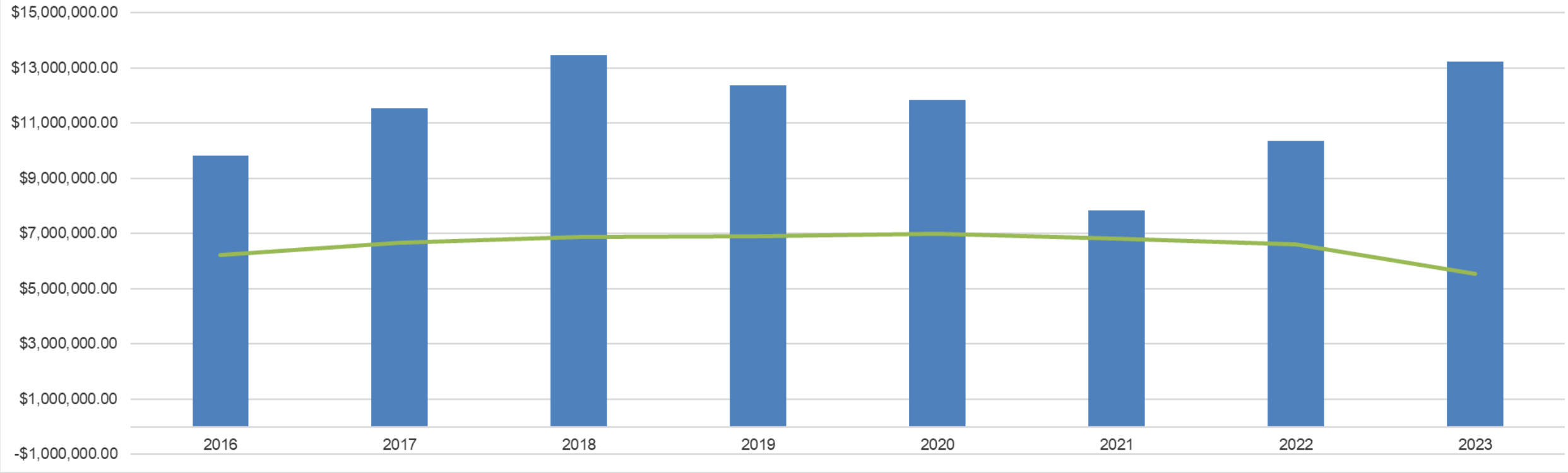
# CLAIMS VS. CONTRIBUTIONS



# TOTAL NET ASSETS FOR BENEFITS

**Total Assets Available for Benefits**  
2016 - 2023

■ Total Trust Assets    — Reserves Required by Law

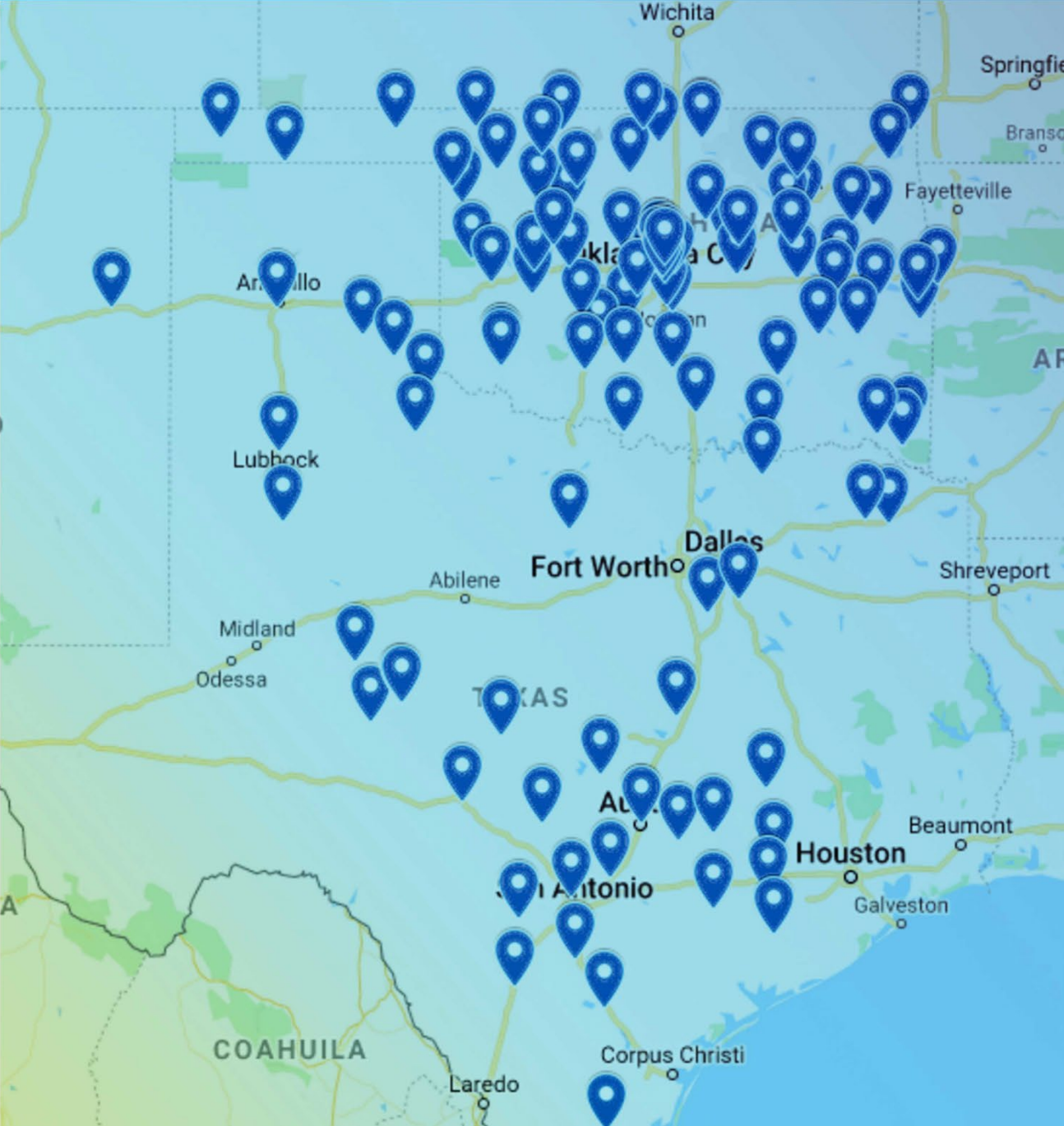


# 2023 NEW DIRECT CONTRACTED PROVIDERS

KPPFree™ – 30 New Providers

KDAP – 24 New Providers

RBP Directs – 10 New Providers





## 2022 Missed Opportunities (1/1/2022-12/31/2022)

### 509 Missed Opportunities

Individual missed opportunities since in 2022

### \$1,911,519 Total Missed Savings

Total missed savings 1/1/2022-12/31/2022

### \$3,755 Average Missed Savings

Average amount per claim in missed savings in 2022.

### \$114,646 Largest Missed Savings

Largest amount of missed savings in a single claim in 2022.

## 2023 Missed Opportunities (1/1/2023-6/30/2023)

### 187 Missed Opportunities

Individual missed opportunities since in 2023

### \$389,113 Total Missed Savings

Total missed savings 1/1/2023-6/30/2023

### \$3,209 Average Missed Savings

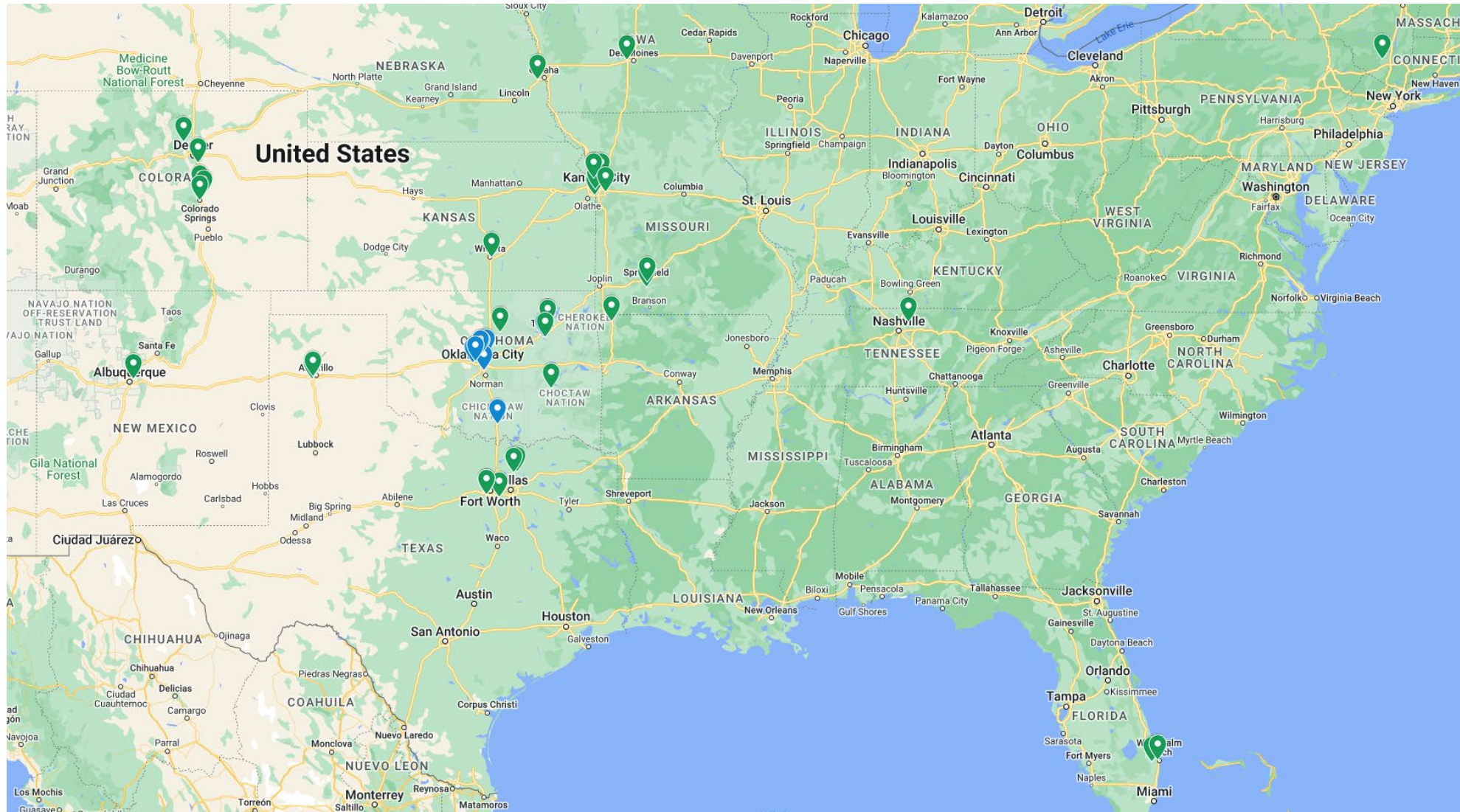
Average amount per claim in missed savings in 2023

### \$38,144 Largest Missed Savings

Largest amount of missed savings in a single claim in 2023.



# KEMPTON DIRECT ACCESS PROVIDERS (KDAP)





## Advantage Health Plans Trust Service Snapshot

YEAR TO DATE 2023



### UTILIZATION

**7**

#### PARTICIPANTS TOTAL

- 3 RSOs Completed
- 1 Pending RSO
- 1 Health Coaching
- 4 RN Support

Outreach Total: **371**

(One participant had an RSO & Health Coaching)



### TOTAL SAVINGS

**\$82,637**

(For Completed Cases Only)

- ROI:** 6.3 to 1
- Hard Dollar:** \$50,058
- Risk Negation:** \$32,579
- Annually Recurring:** \$8,944
- Avg. Savings/RSO:** \$13,012



### PARTICIPANT FEEDBACK

*"I finally feel like I have some answers and a way to manage my health and insulin resistance.*

*The education from the Endocrinologist and Health & Nutrition coach was eye opening.*

*I am so thankful for all the support and resources to help me be the healthiest I can be and to lower my cholesterol and diabetes risk."*





# 2023 RX PERFORMANCE

# LIVINITI/SOUTHERN SCRIPTS 2023 PERFORMANCE

Total Program Savings:  
**\$765,517**

## Southern Scripts Value



- Variable Copay: \$79,827
- Clinical UM Savings: \$494,148
- FirstChoice Network: \$148,242
- Generic Fill Rate: 88.9%
- First Choice Fill: 98.4%

**Total Savings: \$765,517**

### Rebates PTD:

Q1 2022 - \$184,081.70  
 Q2 2022 - \$174,948.40  
 Q3 2022 - \$169,291.62  
 Q4 2022 - \$140,823.92  
 Q1 2023 - \$169,291.63  
 Q2 2023 - \$134,556.66

## Top Drug Therapy by Rx and Plan Cost

Q1 2023 Rank	Q2 2023 Rank	Therapy Group	Total Rx	% Generic	Plan Cost	% Total Plan Cost	Unique Claimants	Cost per Unique Claimant
1	1	Antidiabetics	477	44.7%	\$237,672	26.5%	204	\$1,165
2	2	Analgesics - Anti-Inflammatory	303	89.4%	\$213,128	23.7%	213	\$1,001
7	3	Dermatologicals	206	93.7%	\$68,527	7.6%	166	\$413
6	4	Anticoagulants	64	15.6%	\$29,694	3.3%	25	\$1,188
5	5	Antiasthmatic And Bronchodilator Agents	321	95.0%	\$26,087	2.9%	209	\$125
4	6	Contraceptives	250	86.4%	\$25,296	2.8%	177	\$143
14	7	Migraine Products	59	59.3%	\$24,754	2.8%	35	\$707
3	8	Gastrointestinal Agents - Misc.	29	86.2%	\$24,380	2.7%	25	\$975
8	9	Adhd/Anti-Narcolepsy/Anti-Obesity/Anorexiant	187	63.1%	\$24,149	2.7%	80	\$302
9	10	Antihyperlipidemics	565	96.8%	\$21,960	2.4%	390	\$56
10	11	Anticonvulsants	269	95.5%	\$19,500	2.2%	147	\$133
12	12	Ophthalmic Agents	126	80.2%	\$13,182	1.5%	88	\$150

# SCRIPTSOURCING 2023 PERFORMANCE – 1/1/2023 – 9/1/2023

**12/01/2021**

First Script Sourced

**154**

Unique Members

**\$1,107,493**

Total Savings YTD

**\$3,348,583**

Total Savings  
Since Inception

**839**

Prescriptions Sourced

**\$1,164,521**

Value of Open  
Opportunities





# SCRIPTA 2023 PERFORMANCE – 1/1/2023 - 6/30/2023



2023 Plan Year	Number of Switches	Plan Savings	Member Savings	Realized Savings	Scripta Fees	ROI
Q1	249	\$16,411	\$22,928	\$39,339	\$25,923	
Q2	232	\$25,472	\$62,630	\$88,102	\$25,898	
2023 YTD	481	\$41,883	\$85,558	\$127,441	\$51,821	(0.81)x*

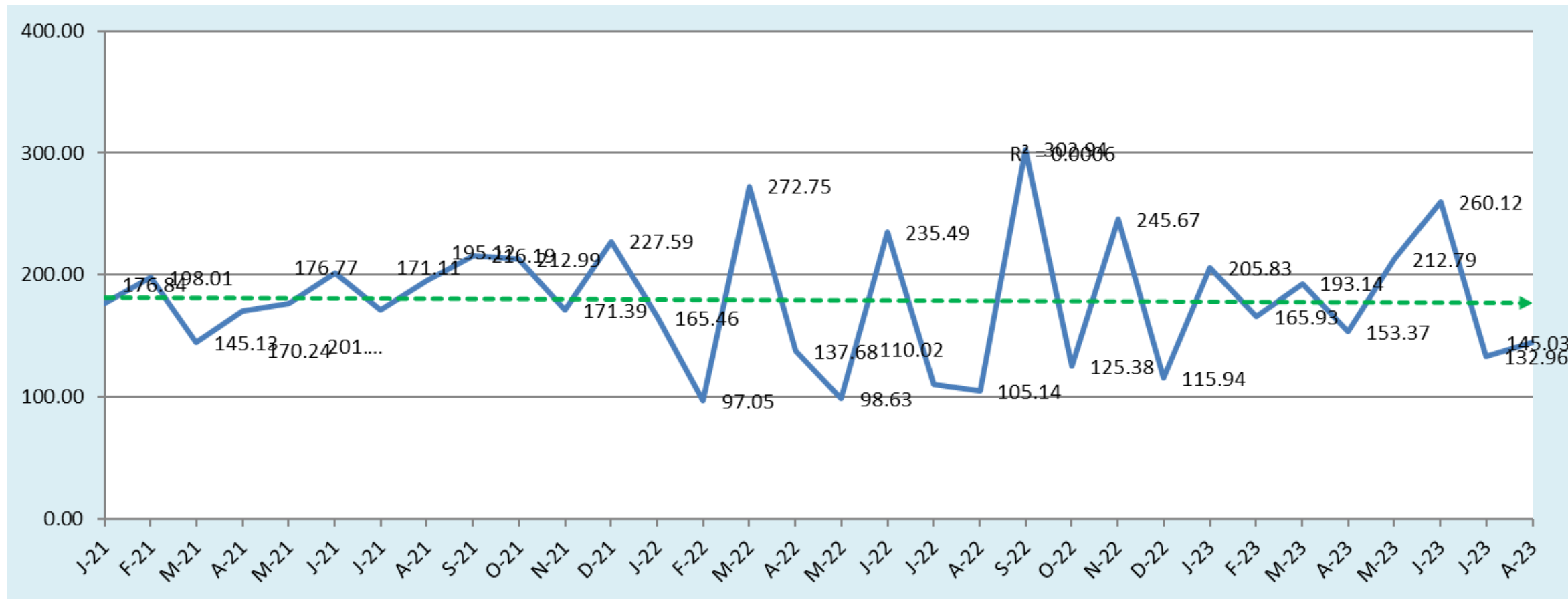
\* Total Savings ROI 2.46x



\*ROI includes ME and PBMO and only considers plan savings

# AHPT RX PERFORMANCE

## Average Prescription Cost Per Employee





# 2024 RENEWAL & METHODOLOGY





# AHPT 2024 Renewal Increase

Paul Fallisi, President  
David Miller, Senior Actuary  
Windsor Strategy Partners  
September 8th, 2023



# Renewal Rate Increase - Macro View





## 3 Components of Expenses

- ▶ Medical and Rx Claims (76.1%)
- ▶ Administration (20.9%)
- ▶ Stop Loss (3.0%)



# Renewal Worksheet

AHPT Results Sept 2022 - Aug 2023			Projected		January 2024 - December 2024		
	PEPM	Percent	Increase	Margin		Dollars	Percent
<b>Revenue</b>					<b>Revenue</b>		
Contributions	1,089	100.0%	<b>3.27%</b>		Contributions	1,125	100.0%
<b>Expenses</b>					<b>Expenses</b>		
Medical	633	62.6%	7.00%	1.5%	Medical	709	63.0%
Rx	164	16.2%	9.00%	1.5%	Rx	189	16.8%
Rx Rebate	(27)	-2.7%	9.00%	1.5%	Rx Rebate	(31)	-2.8%
Total Claims	769	76.1%			Total Claims	866	77.1%
Admin	212	20.9%	3.5%		Admin	223	19.8%
Stop Loss	30	3.0%	10.0%		Stop Loss	35	3.1%
<b>Total</b>	<b>1,012</b>	<b>100.0%</b>			<b>Total</b>	<b>1,124</b>	<b>100.0%</b>

# 2023 Renewal Increase

▶ **3.27%**

▶ 6.55% last year



# Dental

- ▶ Priced for a flat renewal
- ▶ Big picture: trivial about 3.5% of contributions
- ▶ Added slight amount to medical (<.1%)





# What's Next?

- ▶ Macro rate increase goes to SUS
- ▶ SUS stratifies the risk into several layers:
  - ▶ A. Preferred
  - ▶ B. Standard
  - ▶ C. Substandard
  - ▶ D. WOW's

# Margin

- ▶ Build up reserves and surplus
- ▶ Unforeseen events (Covid)
- ▶ Adverse deviation - 8 months of claims data in pricing
- ▶ Parameter risk

# Medical Trend Post COVID-19 is Alive and Well...



General Economy



Long Covid



Delayed Treatment



Mental Health Parity

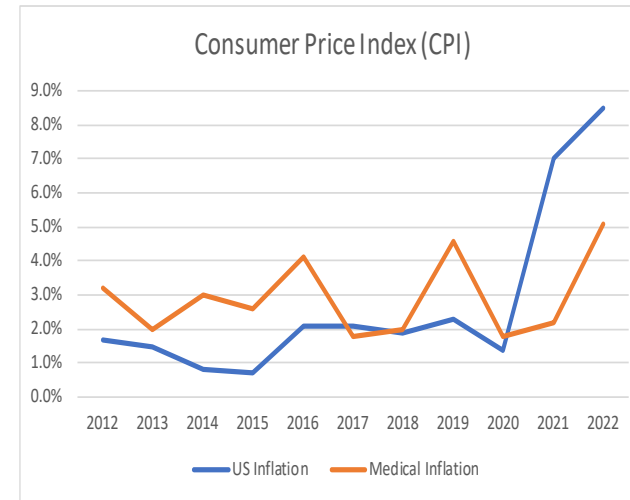


Specialty Drugs



Cell and Gene Therapy

	US	Medical
Year	US Inflation	Medical Inflation
2012	1.7%	3.2%
2013	1.5%	2.0%
2014	0.8%	3.0%
2015	0.7%	2.6%
2016	2.1%	4.1%
2017	2.1%	1.8%
2018	1.9%	2.0%
2019	2.3%	4.6%
2020	1.4%	1.8%
2021	7.0%	2.2%
2022	8.5%	5.1%



*Medical inflation is usually 1.25% above general inflation*





**Strategic  
Underwriting  
Solutions**

# Advantage Health Plans Trust

## September 13, 2023

2593 Development Drive, Suite 200

Green Bay, WI 54311

[www.strategicunderwritingsolutions.com](http://www.strategicunderwritingsolutions.com)

# Renewal Methodology for 2024

## *Goal of Renewal Process*

*Retain the highest volume of member groups at the most reasonable rates while maintaining required and appropriate reserves.*

### *Process Description:*

- *Paul and the actuarial team at WSP evaluated the block claims experience.*
- *Simultaneously, the underwriting team evaluated the Trust member groups and assigned a contribution increase category.*



# Renewal Methodology for 2024

- *The actuarial and underwriting system determined the block increase and then the increase for each group. The actuaries determined the required increase for the block, this guides the lowest level rate change to preferred risk cases and the highest-level increase to the highest risk cases.*
- *Lower and upper-level rate change parameters by contribution increase category were determined and groups were placed into a category based upon the level of health risk for each group.*



# 2024 Renewal Recommendation

- *The overall Trust increase is 3.27%*
- *Individual group increases will be released in the coming weeks*



# Facts & Observations

- *The block weighted average increase of **3.27%** is favorable* considering the average increase for small group business in 2023 according to several sources is expected to average 9% or greater depending upon continued inflation and cost of care trend increases. Professional services are projected to increase 9% alone in 2023.<sup>1</sup>
- *Additional Facts:*
  - *Oklahoma Small Group Exchange average rate increase anticipated is 9% at this time.*
  - *Texas Small Group Exchange average rate increase anticipated is 5.95% at this time considering Blue Cross Blue Shield, United Healthcare, Cigna, and Aetna.*<sup>2</sup>
- *Very favorable news is that we anticipate approximately 85% of member banks will receive 5% or lower increase! Again, final group increases to be released in the next few weeks and the overall Trust experienced a great year.*

Source:

<sup>1</sup> 2023 Milliman Medical Index

<sup>2</sup> Healthinsurance.org





# Questions





# 2024 RENEWAL OVERVIEW

# 2024 TRUST-LEVEL MEDICAL PLAN RATE ADJUSTMENT



**3.27%**

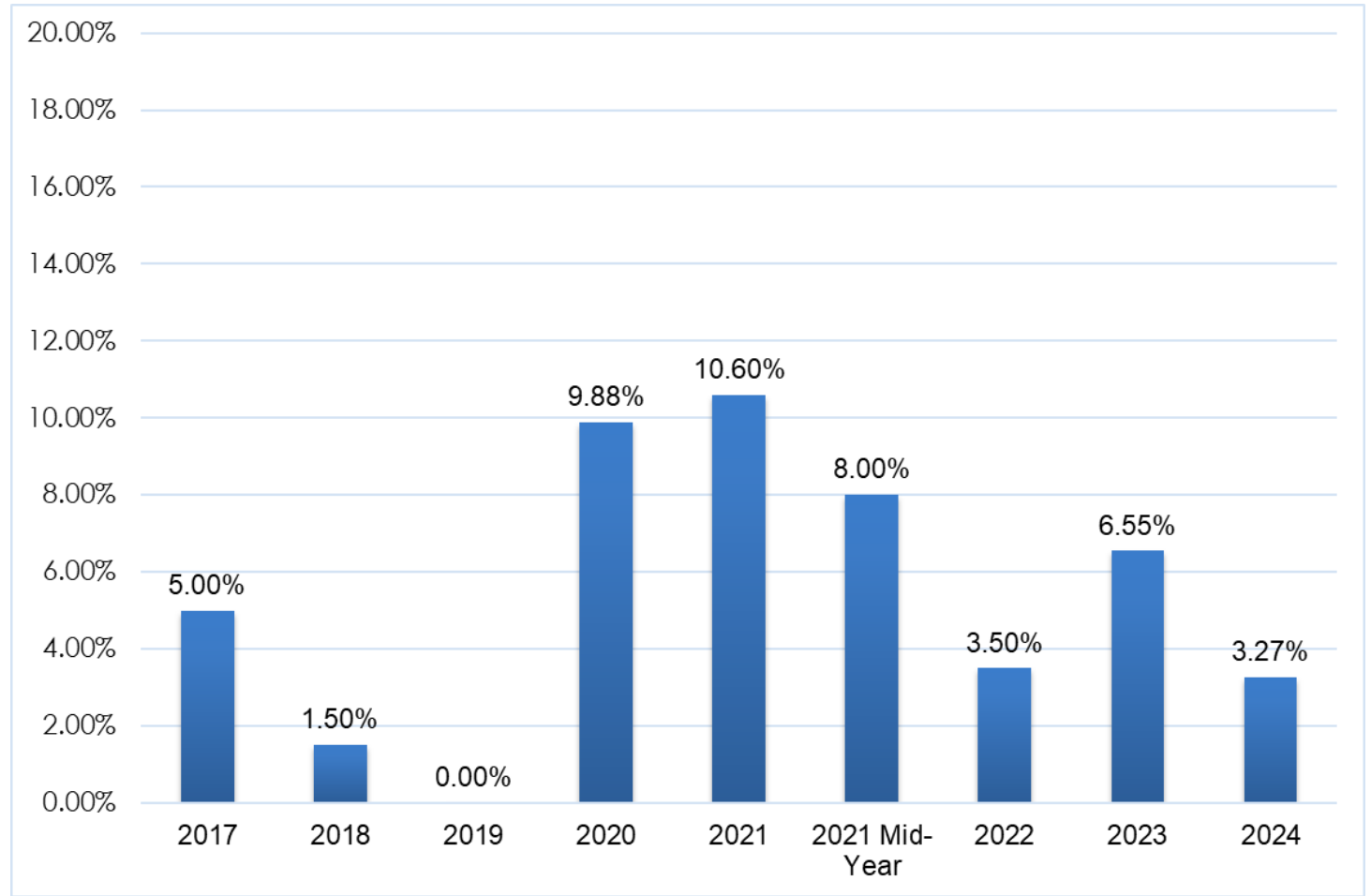
Individual bank renewals will be delivered by October 2, 2023.

# MEDICAL PLAN INCREASE TREND – 2017-2024

Average  
Medical Plan  
Rate  
Adjustment  
Over 8 Years.

**5.37%**

Historical Rate Adjustment 2017-2024



# TRUSTEE DECISIONS 2024

- Ending future new enrollment in Select 500 Plan
- Offering InsureOK Plan (Based on Select 1500)
- Enhancing Case Management with new vendor Fiduciary Health Solutions
- Change to MVP Plan to match ACA Federal Out-of-Pocket Maximums
- Change to HDHP 2500 Plan to match ACA Federal Minimum Embedded Deductible
- GLP-1 drugs for weight loss now available through a managed clinical pathway to ensure medical necessity  
(effective 10/1/2023)





# ANCILLARY PRODUCT RATE ADJUSTMENTS



Dental Plan

No change



Vision with VSP

No change



Unum Basic Life

No change



Unum Voluntary Life

No change



Unum Long-Term Disability

No change



Leaders Life Term Life & Accident

No change



# 2024 BENEFITS

## Minimum Value Plans

- Maximum out-of-pocket increases annually to match ACA maximum.  
2023 - \$9,100 Single | \$18,200 Family  
2024 - \$9,450 Single | \$18,900 Family

## Qualified High Deductible Health Plan Change

- Minimum deductible increases annually to match ACA minimum .  
2023 - \$3,000 Family Embedded Deductible  
2024 - \$3,200 Family Embedded Deductible

# FHS SERVICES



## FIDUCIARY HEALTH SOLUTIONS

*We are a team of dedicated professionals committed to ensuring plan participants receive medically appropriate care.*

### Our Services

- ✓ Utilization Review
- ✓ High Touch Case Management
- ✓ Maternity Management
- ✓ Health Coaching
- ✓ Disease Management

Contact Us Today!

877-313-1902

[requests@fhs.group](mailto:requests@fhs.group)



# KPPFree™ - EASY AS 1-2-FREE!



**Patient calls the Kempton Care Advocates.**



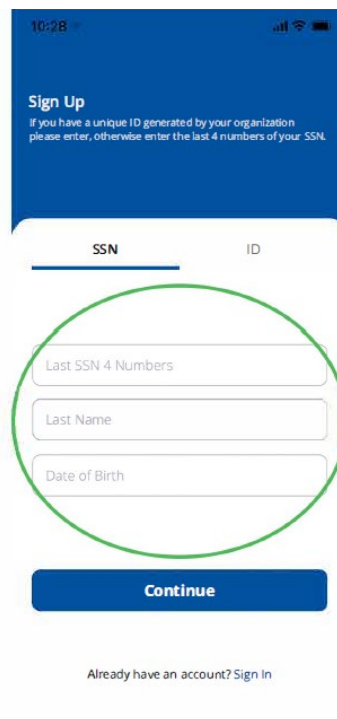
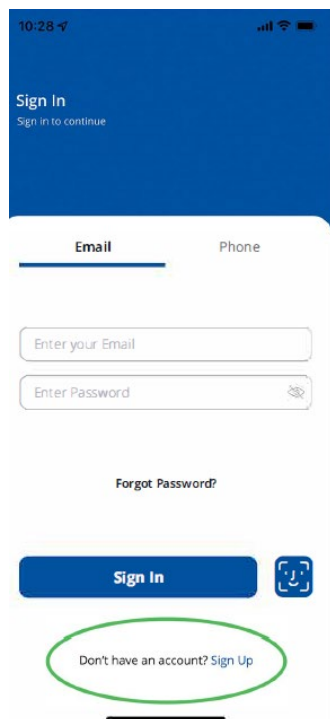
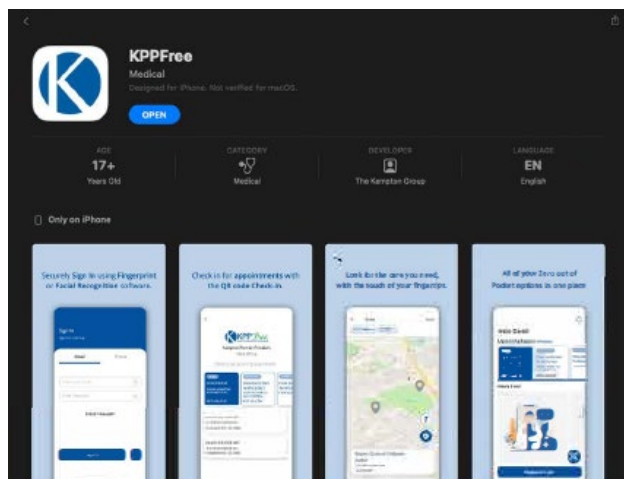
**Patient Shows KPPFree™ voucher at appointment.**



**Procedure or service is covered at 100%!**



# KPPFREE™ AT YOUR FINGERTIPS!



## With the KPPFree™ app, you can:

- View upcoming KPPFree™ appointments.
- Receive KPPFree™ Vouchers.
- Search KPPFree™ providers, facilities, and qualified procedures.
- Request assistance for an upcoming procedure or image through the KPPFree™ program.

## Instructions:

1. Search "KPPFree" in the app store to download.
2. Select Sign Up.
3. Use your name, date of birth, and last 4 of your social to create your account. You can also create an account by using your member ID,
4. Once your account is created, start using the app!

**Have Questions?**

**Call us at  
(800) 324-9396**

# KEMPTON DIRECT ACCESS PROVIDERS

## *A Benefit for Direct Primary Care*

- Enhanced, consumer-driven benefit.
- For medical services including primary care, preventive care services, and urgent care services.
- Covered at 100%.
- Kempton Direct Access Providers offer medical services through a patient-centered payment and practice model, based on a monthly fee.
- These providers are often known as Direct Primary Care (DPC).
- The monthly fee will be paid by the health plan at 100% directly to the provider.





# COMPLIANCE

## PAY OR PLAY (1094/1095)

### Two Options to Comply:

#### 1. Choose a Non-Kempton Vendor

- Contact Gary Plunkett at The Kempton Company to discuss data needs.  
[gplunkett@kemptongroup.com](mailto:gplunkett@kemptongroup.com)

*Pricing included below for Non-Kempton Vendor:*

#### **Under 50 Lives**

- Current Census Format - Free
- Special Census Format - \$175 per hour standard IT rate; 1-hour minimum
- Forms – NA

#### **More than 50 Lives**

- Current Census Format - Free
- Special Census Format - \$175 per hour standard IT rate; 1-hour minimum
- Forms - NA

#### 2. Choose The Kempton Group Administrators, Inc.

- Employer will need to notify Kempton & Return Agreement by **November 17, 2023**.
- Completed documentation will be due to Kempton no later than **January 2, 2024**.

*Pricing included below for Kempton Services:*

#### **Under 50 Lives**

- Census File - NA
- Forms - \$7.00 per form
- Set-up Fee - Prior to deadline - \$190; after deadline - \$380

#### **More than 50 Lives**

- Census File - NA
- Forms - \$7.00 per form
- Set-up Fee - Prior to deadline - \$400; after deadline - \$800
- IT Rate for Employer Data Reformatting - \$250 per hour; 1-hour minimum. Only available upon request. Includes formatting into an appropriate layout suitable for inload.





# AHPT ACCOUNT MANAGEMENT & EDUCATION







## **Shannon D. Kerr, CIC, CPIW**

Vice President of Client Success

Shannon is your primary point of contact for employer needs and questions, including reporting, compliance, strategic planning, and working with the team to ensure you and your employees' needs are met. Shannon has been a member of the team since 1976.

[skerr@kemptongroup.com](mailto:skerr@kemptongroup.com)

(405) 608-5129



## **Jolie Bowman**

Jolie is your secondary point of contact. Jolie can help with the day-to-day questions and concerns that may arise. Jolie has been a valuable member of our team and works directly with Shannon on all things AHPT. We are excited for you to get to know her better!

[jbowman@kemptongroup.com](mailto:jbowman@kemptongroup.com)

(800) 324-9396 Option #2

## *An Education Tool for You and Your Team*

We have developed a series of educational videos that explain your plan and your benefits in greater detail.

Topics include subjects like KPPFree, Self-Funding, Reference Based Pricing, and more!

You can find these videos by signing into your Advantage online portal.

We encourage everyone to share these videos with your employees and add them to your intranet.

You can also access the videos directly by scanning the QR Code on this slide.





# AHPT OPEN ENROLLMENT

# AHPT OPEN ENROLLMENT TIMELINE

**October 2, 2023**

- Individual Renewals Delivered

**October 15, 2023**

- AHPT Open Enrollment Starts

**November 1, 2023**

- All Plan Changes are Due

**October 15 – November 30, 2023**

- Host Open Enrollment Meetings

**November 15, 2023**

- Updated Plan Adoption Agreement & Benefit Selector Due

**December 1, 2023**

- Final Eligibility & Open Enrollment Changes Due

**December 1, 2023**

- AHPT Open Enrollment Ends

**January 1, 2024**

- ID Cards Delivered



# VBA – AN ENHANCED CORE SYSTEM

- We have recently made the transition to a new core claims system from Group Benefits Administration System (GBAS) to the vastly superior Virtual Benefits Administrator (VBA).
- In addition, VBA will also incorporate a new web portal and mobile app that will become available as it is rolled out.
- You will also receive new ID cards to reflect these changes along with new member ID numbers.
- All AHPT members will have a personalized direct dial phone number that will be on each member's ID card that will connect them directly to the AHPT member services POD.
- All these changes will be implemented during your annual renewal process and become effective 1/1.

# CALL TO ACTION

Open enrollment is from October  
15 to December 1, 2023.

Contact	Your rep will contact you with your renewal.
Schedule	Schedule an employee meeting.
Provide	Provide AHPT with employee emails and mobile numbers.
Adopt	Adopt a culture of consumerism / cost containment in your organization.
Share	Share educational materials.
KPPFree™	Promote and encourage KPPFree utilization.



# ADVANTAGE

HEALTH PLANS TRUST



(800) 324-9396



[AdvantageHealthPlans.com](https://www.AdvantageHealthPlans.com)

## QUESTIONS?