



The Shift Away from Traditional Health Insurance



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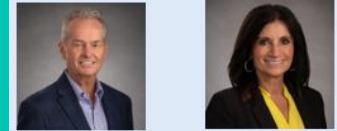


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Purpose Driven Partnership

- **100+ Years of Combined Expertise** in Risk Management & Healthcare Consulting
- **Endorsed Broker for LeadingAge New York** for 20+ Years
- **Exclusive Gallagher Drive Analysis** Offered to LeadingAge NY Members
- **Specialized Team Support:**
John & Gina: Tailored Property & Casualty Solutions for Nonprofit Nursing Homes
Sandy & Chad: Strategic Employee Benefits Optimization
- **Trusted Advisors Delivering** Proven Results & Meaningful Outcomes

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Insurance | Risk Management | Consulting

What we'll cover:

- + Shortcomings of traditional plans
- + The shift to alternative funding
- + Different types of alternative funding
- + Adopting a change management mindset



Shortcomings of traditional plans:

Employers' perspective



U.S. employers spent an estimated **\$1.3 trillion** to cover Americans with healthcare benefits last year.



Healthcare costs to rise **9–10%** annually between 2024 and 2026.



Back in 2021, nearly **9 in 10** employers said they believed the cost of providing health benefits would be **“unsustainable”** in the next **5 to 10 years**.

Shortcomings of traditional plans: Employees' perspective



Employees with a deductible of **\$2000** or more have grown from **26% to 31%** over the last five years.



1 in 4 adults say that in the past 12 months, they have skipped or postponed getting the care they needed because of the cost.

The shift to alternative funding



$\frac{2}{3}$ of employers are looking to make change over the next four years or less to **alternative plans** that reduce costs and improve member experience.



Fully insured plans lost 2.9 million members from 2021 to 2023 alone.



An estimated **12 million more** members may shift away from fully insured plans by 2030.

Why? What are they shifting to?

Change is uncomfortable.



Adopting a change management mindset

“If you do not change direction, you may end up where you are heading.” —Lao Tzu

- + Lead with confidence
- + **Have a clearly defined desired outcome**
- + Give it time
- + Set incremental, achievable goals
- + Communicate transparently and frequently
- + **Get buy-in across organizational levels**
- + Commit appropriate resources
- + Monitor success and share accomplishments
- + Expect road bumps





Employers are increasingly **moving away from traditional fully-insured plans** toward alternative funding arrangements:

HRA

HSA

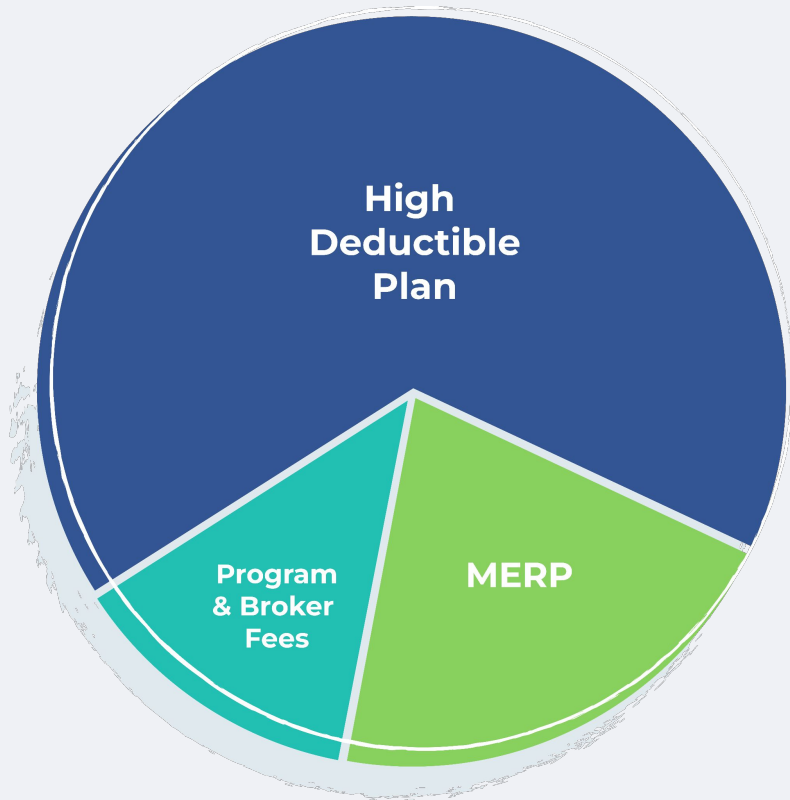
MERP

ICHRA

Self-funded

Level-funded

How we solve it



High-Deductible Plan

High-Deductible health plan with affordable monthly premiums. Fully-insured, level, or self-funded.

MERP

Medical Expense Reimbursement Plan runs adjacent to the health plan and pays employees' medical claims as they are incurred.

Nonstop MERP Administrator

Administrator that projects claim utilization and bills a fixed monthly rate to fund the MERP.

Case Study 1



Senior Living Community

Enrolled Employees: 91

Location: Upstate, NY

- + Protected group from a 14.29% increase
- + Saved close to \$85,000 against the renewal
- + Provided first-dollar coverage to employees (no upfront out-of-pocket costs)

Case Study 2



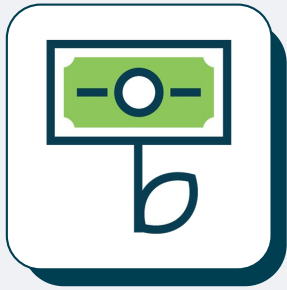
Nursing and Rehabilitation Center

Enrolled Employees: 66

Location: Upstate, NY

- + Saved over \$55k in their first year
- + Reduced their renewal
- + Covered 100% of out-of-pocket expenses for employees

Case Study 3



Self-Funded Feasibility Study

Enrolled Employees: 141

Location: Upstate, NY

- + Reduction in annual cost increases
- + Estimated savings of \$452,556
- + Stop loss reimbursement estimated at \$445,886
- + Projected Rx rebates of \$260,967



Thank you!

To learn how Nonstop builds an alternative health plan with a MERP + HDHP, contact us!

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