

# Micro Economic trends and real-world challenges prompt employers and employees to think differently



Medical  
inflation and  
cost  
pressures



Annual raise  
goes to health  
insurance  
increase



Increasing  
risk with aging  
workforce



lack  
understanding  
and choices



new and  
increasing  
compliance



disengaged  
in health risk  
planning



# What's Possible?



# Goals for Employee Engagement

## Increase Employee Satisfaction

*Employees engaged in plan choice  
and best health providers*



## Decrease Employer Costs

*Stabilize, predict and reduce healthcare  
spending through shared incentives*



# Increased Inefficiencies for Benefits Administration

## Proactive

- Web-based Open Enrollment for annual elections
- Formal Live and Recorded Open Enrollment Presentations



- Model Notice Packet
- Affordability and Quality Testing to Avoid Employer Penalties



## Industry Leader

- Web and Toll Free Telephone Enrollment and Eligibility Platform
- Web-Based Video Education on Plan Features and Member Use
- Integrated Electronic Carrier and Payroll Feeds
- DOL Audit Review and Compliance Preparation

# Benefits Administration vs. Private Exchange

Joining together using **automated, technology solutions** is where we have helped our mid-market clients realize the benefits of an industry leader

## Side-by-Side Comparison

### Budget Control

#### Benefits Administration

- Defined Benefit

#### Private Exchange

- Defined contribution

### Products & Carriers

- Multiple plan selection

- Wide plan selection

### Consumer Experience

- Low degree of support and engagement

- High degree of decision support and engagement

### Technology & Admin Support

- Full functioning report package

- Automated reports that comply with health reform

# Employee Consumerism = Shared Responsibility

## Consumerism Evolves:



Encourage Self-Responsibility



Selecting a Plan



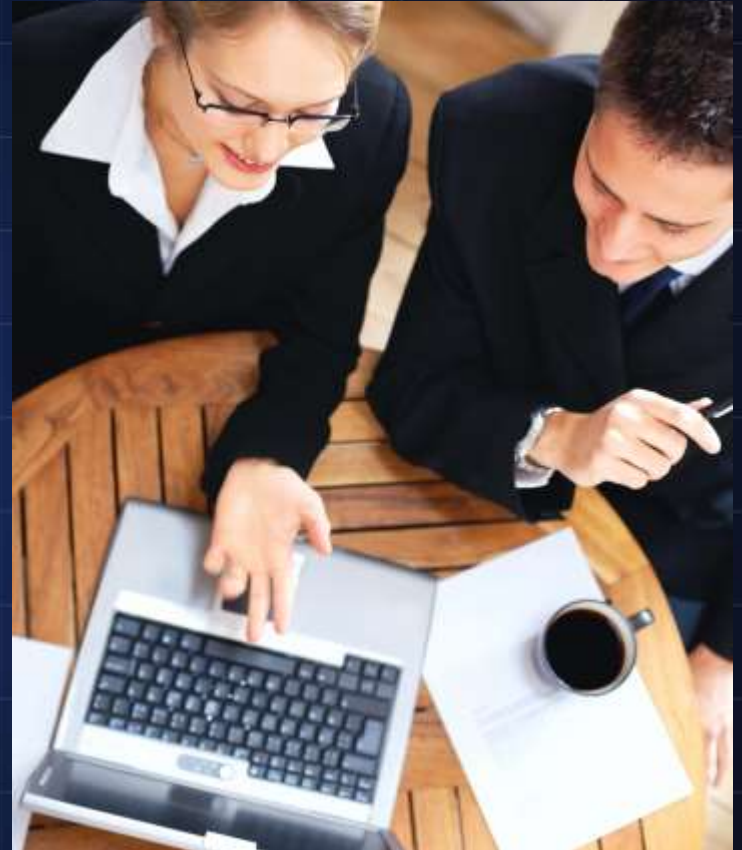
Engage In HRA, HSA



Incent Wellness Participation



Promote Web Tools





# How Defined Contribution Works



# Defined Contribution Enables More Control

## Side-by-Side Comparison

### Defined Benefit

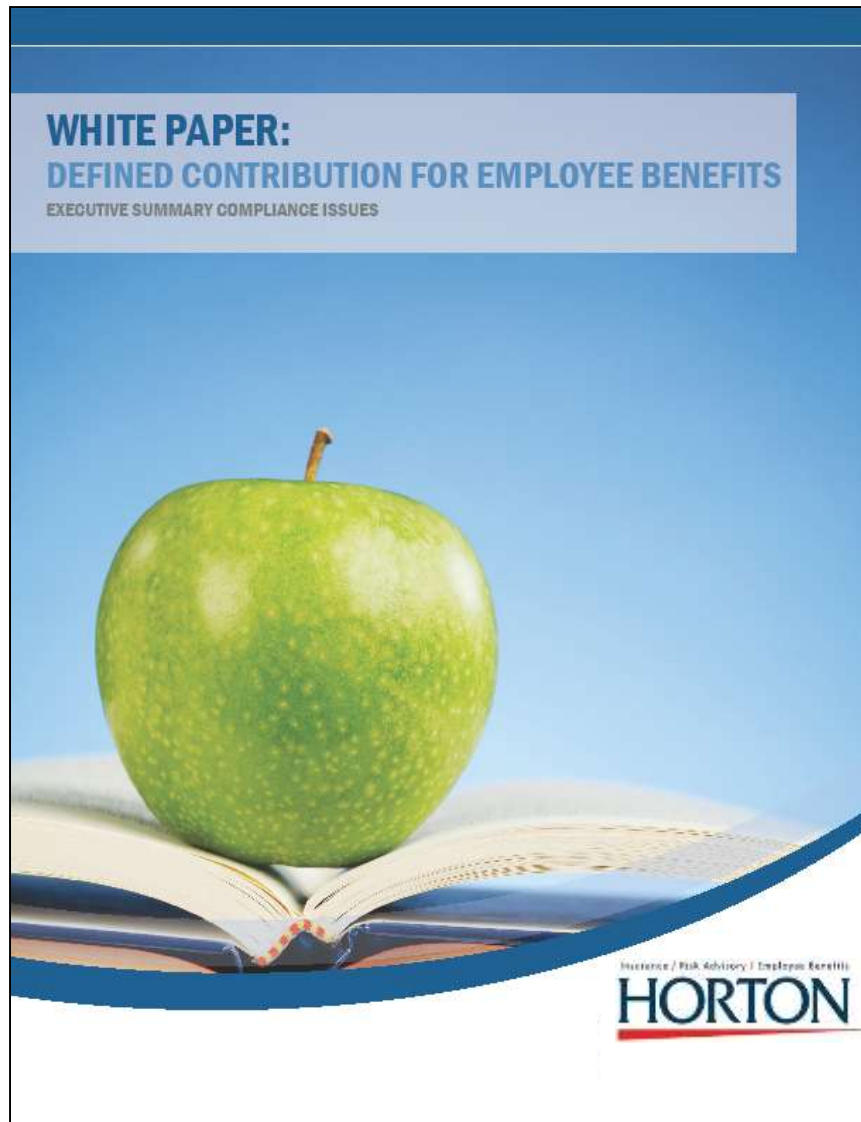
- Variable employer cost of health care
- Uncertain annual health care cost increases
- Limited product options selected by employer

### Defined Contribution

- Fixed employer subsidy
- Employer controls their annual cost
- Increased product options offered for selection by employee

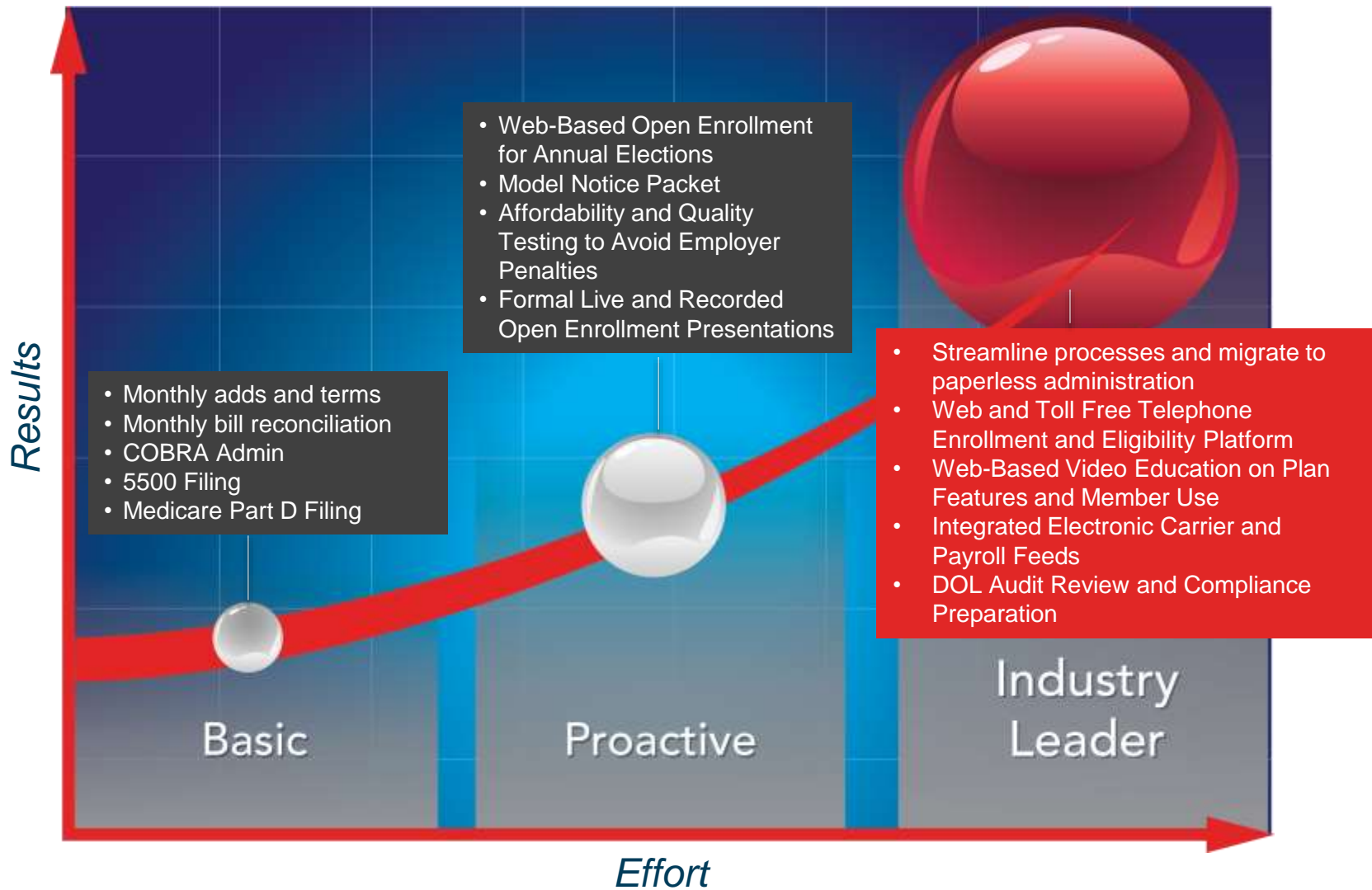


# Defined Contribution White Paper



**HORTON**

# How's Your Benefits Administration



# The Iowa Pacific Story



# Your Questions

