



Self-Insurance Industry Executives Share Candid Opinions at SIIA Town Hall Event

Hundreds of self-insurance industry executives participated in a first of its kind “Town Hall” session held as part of the SIIA Self-Insured Health Plan Executive Forum that took place last month in Charleston SC, and many interesting opinions were shared.

These opinions were solicited and collected anonymously in real time via audience polling technology in response to a series of industry and association-related questions presented by SIIA President & CEO Mike Ferguson. And while clearly non-scientific, these responses collectively provide a glimpse into who make up the self-insurance industry and what the thinking is about timely issues, opportunities and concerns.

Participation was roughly evenly divided between TPAs, stop-loss carriers/MGUs and vendors.

There was significant industry experience in the room, with 77% of respondents indicating at least of decade of experience, and many of them have no plans of finishing up their careers any time soon – more than half saying that retirement is at least 15 years away, if ever.

In terms of political affiliation, the breakdown was 61% Republican, 17% Independent, 13% Democrat, 5% Libertarian and 3% Other.

With these basic audience demographics established, the questions turned to a variety of industry matters and were presented to the group at a rapid pace with aggregated answers displaying in real time on two large screens in the front of the room.

As expected, some polling results were more interesting than others and we'll highlight several them as part of this recap article.

Despite the amount of general uncertainty in the health care marketplace today, the audience was overwhelmingly optimistic about the future of the self-insurance industry, with 93% saying they viewed it as very or mostly positive over the next three to five years. That optimism is tempered a bit over a longer time horizon, with 84% expressing optimism six to 10 years in the future.

When asked about how the Affordable Care Act (ACA) has affected their business, 63% said that it had a "mostly positive" or "somewhat positive" effect on their business.

Another 23% responded that their businesses had been negatively impacted by the health care law, with 15% reporting no impact. With those responses noted, the audience was split roughly even on whether they would like to see the law repealed and replaced.

The group was presented with an open-ended question asking their opinion on

the minimum number of employees a company should have in order to be a viable candidate for self-insurance and 10 was the leading answer, followed by 15, 25 and 50.

In a somewhat surprising result, 52% of respondents indicated that they believed there are "partially self-insured" health plans.

The group was divided on whether minimum essential coverage (MEC) plans are good or bad for the industry, as well as on the same question relating to level-funded plans.

When asked about which strategies/approaches had the greatest potential to achieve significant health plan cost savings, participant engagement narrowly beat out PPO alternatives as the top choice, 34% to 32%. Specialty drug management was chosen by 18% of the audience.

Conversely, domestic and international travel were identified as strategies/approaches least likely to achieve significant health plan cost savings, with 69% of the audience picking one or both of these answers.

There were several polling questions related to reference based pricing, given that this continues to be a major topic of discussion within the industry. In somewhat contradictory answers 60% said they do not think RBP could be harmful to the industry, yet in the next question that asked "How RBP could be harmful to the industry," 60% identified balance billing. Hospital/facility access was another top concern with a 31% responses.



Large majorities predicted that providers will push for new RBP regulation and that SIIA should defend against such regulation. In response to the last RBP question, 76% of respondents answered “yes” when asked if SIIA should collaborate with the provider community in an attempt to establish commonly accepted RBP arrangements.

Slightly more than half the audience indicated they were involved with stop-loss captive programs. And when asked about their predictions of potential market growth over the next three years, the consensus was that there would be moderate growth, with that option receiving 64% of the vote.

When asked about the future of TPAs and potential existential threats, government regulation edged out BUCO competition, 67% to 65% (audience could choose multiple answers). Technology upgrade requirements and succession planning challenges were also identified as threats by many in the audience.

Turning attention to stop-loss carrier/MGU business practices, the vote was closely split on whether MGUs are less likely to pay claims versus direct carriers. More than three quarters of the audience believed an “incurred date” is better than “paid date” when considering the eligible stop-loss reimbursement claims.

There’s been a lot of attention about recent DOL actions intended to create federally-regulated self-insured association health plans so the group was asked how they assessed what AHP market would look like should such structures become viable. Nearly half the audience predicted the AHP market place would be “large and growing,” while a third of respondents expected “moderate formation activity” with limited growth potential. Just over 10 percent assessed minimal interest.

In a related question, slightly more than half of the respondents said that SIIA should prioritize its advocacy efforts to promote necessary AHP regulatory changes.

Another 29% believe this should be a “moderate” SIIA priority. About one of five in attendance expressed that this should be a low priority or had no opinion.

The last round of questions centered on SIIA activities and initiatives.

To begin with, attendees were asked whether they would like to return to the Belmond Charleston Place Hotel and the answer was a resounding “yes,” with nearly nine in 10 saying they would like to be back. Then attendees were polled on other cities they would like SIIA to consider, with the top responses including Nashville, Chicago, New Orleans and San Diego.

Since SIIA offers many membership services, the association wanted to know what services were valued the most, so attendees had the opportunity to choose all response options that they considered valuable. Nearly 100 percent chose conferences/networking events, with 70% picking federal government relations and 59% saying state government relations was an important service.

ANSLEY
CAPITAL GROUP
Principals at Work.

In **2017**, Ansley Capital Group, through its FINRA registered broker-dealer Ansley Securities, advised some of the most well-respected entrepreneurs in the self-funded insurance market on their partnerships with strategically focused private equity funds.



FEBRUARY 2017



MARCH 2017



SEPTEMBER 2017

For more information visit www.ansleycapital.com

Looking forward, SIIA is considering to develop on-line educational content. Nearly two-thirds responded that they would be “very interested” in this initiative, with about one third of respondents saying that they were “somewhat interested” in this potential service offering.

Circling back to earlier questions related to industry experience and potential retirements, SIIA has been exploring strategies to encourage younger member involvement so the audience was asked their views on the relative importance of this initiative and the response was pretty clear with 76% viewing this a “very important” and another 13% saying it is “somewhat important.”

The final polling question was simple – should SIIA repeat this interactive format at future live events and the answer was clear, with 93% of attendees saying that the association should do so. Watch for future announcements in this regard.

SIIA members can request the detailed Town Hall polling question responses by contacting Amy Troiano at atroiano@sia.org ■

