# ANNUAL SERVICE CALENDAR

THE USI ONE ADVANTAGE®

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# Employee Benefits Planning | Fail to Plan, Plan to Fail

Without a strategic planning process and a calendar to hold all parties accountable, many brokers and employers to fail to achieve goals and objectives.

**Average # of weeks** to implement new self-funded plan

12 weeks

**Minimum # of Weeks** to implement a new carve-out pharmacy plan benefit

9 Annual required compliance notices to beneficiaries

90 **Implementation Days** Average, for new HR technology solutions

**Rule of 7**

# of times a message must be shared before it is acted upon

**6 Months**

Recommended for employees to complete wellness program milestone

- Employers seeking to implement cost mitigation strategies often require 12 – 18 months of planning to get buy-in from executive-level to shop floor.
- Communications strategies require significant time to design and implement with multiple iterations to ensure understanding.
- Deadline specific compliance requirements must be met, or significant penalties may be incurred.
- Unfortunately, many brokers (and some employers) fail to recognize that managing the employee benefits plan life cycle is a year-round endeavor.

# USI Annual Service Calendar

## USI service calendars facilitate strategic planning, adherence to compliance requirements, robust communications, and timely renewal negotiations.

**SAMPLE**
**USI Service Calendar for ACME, Inc.**
January Renewal Date

Underwriting & Analytics · HR Services · Health Management · Compliance · Care Intervention · Pharmacy · Ancillary Benefits

| JANUARY | FEBRUARY | MARCH | APRIL | MAY | JUNE |
|---|---|---|---|---|---|
| ▪ Monthly health plan financial reports<br>▪ 1/1 – Renewal effective date for medical, stop loss, dental, vision, life, and disability<br>▪ 1/31 – Provide Form 1099-HC to all resident employees and complete electronic filing with state<br>▪ Review/Finalize plan documents and engage legal counsel for updates<br>▪ Finalize annual notices<br>▪ Consider Section 105(h) and Section 125 discrimination testing | ▪ Monthly health plan financial reports<br>▪ 2/19 – ACME/USI benefits review meeting<br>▪ 2/28 – Medicate Part D creditable/Non-creditable coverage electronic disclosure to CMS due<br>▪ Utah DOT actuary statement | ▪ Monthly health plan financial reports<br>▪ 3/2 – Distribute Forms 1095-C to each ACA FTE<br>▪ 3/31 – File Forms 1095-C and 1095-C electronically with the IRS<br>▪ 3/31 – Quarterly BCBSF/ OptumRx meeting: year-end review<br>▪ SPDs finalized | ▪ Monthly health plan financial reports<br>▪ 4/30 – SFHCSO Mandatory reporting due: Completed the Annual Reporting Form for the SF Healthcare Security Ordinance<br>▪ Begin Rx RFP process<br>▪ Plan design discussion | ▪ Monthly health plan financial reports<br>▪ 5/1 – CGHB ME renewal "kick off" call<br>▪ 5/11 – Receive carrier renewal from HMSA for renewal effective date<br>▪ Review Rx proposal results<br>▪ Ancillary carrier/vendor partner (virtual meetings)<br>▪ Review EAP solution | ▪ Monthly health plan financial reports<br>▪ 6/1 – Receive CGHB ME KSA renewal<br>▪ 6/26 – USI forecasting with claims through May<br>▪ Request renewals from BCBSNM, Kaiser Permanente, and CGHB for receipt in August<br>▪ Discuss next year Rx solution decisions |

| JULY | AUGUST | SEPTEMBER | OCTOBER | NOVEMBER | DECEMBER |
|---|---|---|---|---|---|
| ▪ Monthly health plan financial reports<br>▪ 7/1 – Renewal effective date for HI medical<br>▪ 7/15 – Finalize any plan | ▪ Monthly health plan financial reports<br>▪ 8/1 – CGHB state KSA renewal soft deadline (ahead of 9/1 hard | ▪ Monthly health plan financial reports<br>▪ 9/1 – CGHB State KSA renewal hard deadline to ensure ID cards | ▪ Monthly health plan financial reports<br>▪ Client will continue open enrollment communication | ▪ Monthly health plan financial reports<br>▪ 11/2 - 11/16 – Open Enrollment begins<br>▪ 11/16 – Quarterly BCBSF/ Rx Dashboard | ▪ Monthly health plan financial reports<br>▪ Update WRAP plan document to be finalized end of month |

**Documented assignment of responsibility to ensure delivery of key milestones.**

- USI proactively starts with an **automated schedule** of activities for all clients driven by effective date, client size, and location.
  - **Clearly assigned tasks and deliverables** within the agreed timeline:
    - Strategic annual plan
    - Pre-renewal projections and marketing expectations
    - OE Communications Strategies
    - Implementation
- **Custom activities and events** are added based on client objectives and initiatives.

# Compliance Key Deliverables

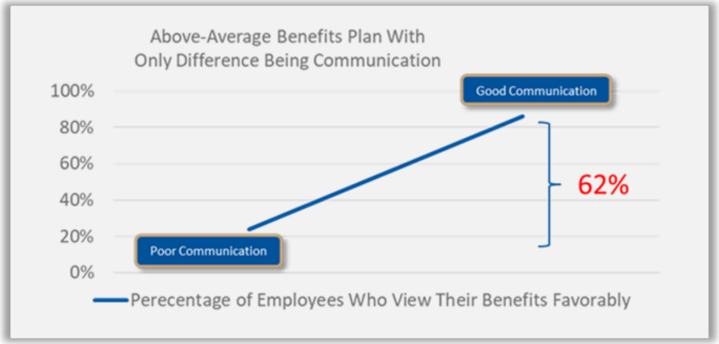
Successful employee benefit plan management requires thoughtful planning and regular execution of numerous activities to meet mandatory compliance requirements as failure to comply can result in significance penalties for employers.

| Potential Penalties for Noncompliance in 2021 | | An Employer with 500 Employees |
|---|---|---|
| **180-day delinquent penalty** for failing to properly file ERISA Form 5500 Annual Reports | $2,259 | **$406,620** |
| **180-days delinquent penalty** for failure to furnish an SPD in response to a written request of **one (1) participant** | $110 | **$19,800** |
| **Per employee penalty** for failing to inform employees of CHIP opportunities | $120 | **$60,000** |
| **Per employee penalty** for failing to provide Summary of Benefits Coverage (SBC) as required under the ACA | $1,190 | **$595,000** |
| **Failure to file and furnish Forms 1094-C/1095-C** (2020 Form due in 2021) | $280 | **$140,000** |

- A service calendar ensures consistent execution of required activities that can be overlooked, such as:
  - Medicare Part D notices
  - Annual disclosure to employees and beneficiaries
  - Form 5500 filings
  - 1094-C/1095-C filings
- Failure to set and adhere to milestone events in future planning may result in missed savings opportunities for the employer.

# Communications Key Deliverables

USI assesses the effectiveness of multiple communication channels for an employer's population and designs a communications strategy to effectively reach all.




Sources: Watson Wyatt WorkUSA Study, Univers Employee Respondent Survey.

Effective Communications Increases Plan Satisfaction with Employees

| Prevention & Wellness Communications Campaign | | |
|---|---|---|
| Month 1 | Month 2 | Month 3 |
| Kickoff: Prevention 101 | What's Covered? | Preventing Chronic Conditions |
|   | ▪ **Email:** Free Healthcare Through Your Medical Plan<br>▪ **Flyer:** Preventive Care Basis – List of the preventive tests/services that are typically covered (print, email, or intranet)   | ▪ **Email:** Prevention is the Best Medicine<br>▪ **Flyer:** Wellness newsletter on chronic conditions (print, email, or intranet)   |

- Communications campaigns often require advanced planning with multiple delivery dates to ensure message awareness.
- Wellness incentives typically allow 6 – 9 months for completion and require advanced planning.
- A well-designed and executed communications strategy improves employee satisfaction and understanding of benefits program.

# Strategic Planning Process

USI proactively offers solutions designed to add value for employees, improve health, and mitigate costs. Many of these strategies require advanced planning to implement.

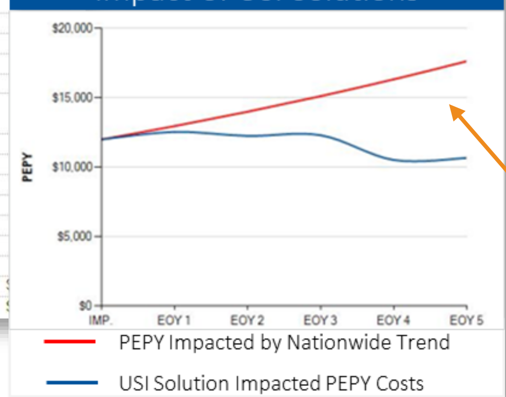
**Hundreds of Omni Solutions across the 7 Pillars of Employee Benefit Plans**

- Underwriting & Analytics
- Care Intervention
- Compliance
- HR Services
- Pharmacy
- Population Health Mgmt.
- Ancillary Benefits

### USI Multi-Year Savings Report

| USI Cost Mitigation Solutions | Start | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|---|---|---|---|---|---|---|
| Comprehensive Underwriting Review | 1 | -4.0 | 0 | 0 | 0 | |
| Incentivized Physician Engagement | 1 | 0.5 | -1.3 | -1.3 | -1.3 | |
| Alternative Funding Analysis | 2 | 0 | -9.0 | -2.0 | 0 | |
| Incentivized Physician Engagement for Spouses | 2 | 0 | 0 | 0 | 0 | |
| USI Clear Options Rx: Managed Pharmacy | 3 | 0 | 0 | -4.3 | -2.5 | |
| Reference Based Pricing | 4 | 0 | 0 | 0 | -18.7 | |
| | | | | | | |
| Yearly Solutions Savings | | -3.5% | -10.3% | -7.6% | -22.5% | |
| Trend | | 8.0 % | 8.0 % | 8.0 % | 8.0 % | |
| Solution Impacted Trend Rate | | 4.5 % | -2.3 % | 0.4 % | -14.5 % | |
| | | | | | | |
| PEPY with trend only | | $12,960 | $13,997 | $15,117 | $16,326 | |
| | | | | | | |
| PEPY with Solution | | $12,540 | $12,252 | $12,301 | $10,517 | |
| # of Participants | | 500 | 500 | 500 | 500 | |
| Total Savings | | $210,000 | $872,500 | $1,408,000 | $2,904,500 | |
| | | | | | Total Savings: 5 Years | |

### Impact of USI Solutions




Quantifying the financial impact of advanced planning.

- USI consultants design custom strategies accessing over 100 unique Omni solutions to meet individual employer goals and objectives.
- The process begins with annual strategic planning meeting, 9 – 12 months prior to the renewal.
  - Benchmarking
  - Current vendor evaluation
  - Appetite for change
  - Funding strategy discussion
  - Execution timeline
- Renewal timeline management is essential to the strategic planning process.


- For USI clients, the Annual Service Calendar is an integral part of our comprehensive approach to deliver the USI ONE Advantage®.
- Identify key milestones that would shape the Annual Service Calendar such as:
  - Renewal date
  - Projected open enrollment dates
  - Renewal delivery
  - Wellness initiatives timeline