

Healthcare + The Rule of 72



What To Expect: Last Fall, *The Wall Street Journal* reported health insurance costs are climbing at the **steepest** rate in years.

How To Get In Front Of It: The Rule of 72 is a straightforward tool to estimate how long it takes for an investment (or a company's **healthcare costs** in your case) to double - *based on a fixed annual rate of return or premium increase.*

Use this formula to kickstart a new discussion around healthcare financing in 2024:

1. **Calculate Years to Double:** Divide 72 by the annual rate of return or the average annual premium increase.

2. **Example:** If your healthcare costs increase by the industry trend of 12 percent annually, your healthcare would double every six years.

$$72 / 12 = 6 \text{ years}$$

3. Keep going. Lower that annual increase to 8 percent & it will now take 9 years for those costs to double.

Curbing the Trend

WellNet's client base runs at a **4 percent trend** - taking 18 years for their healthcare costs to double.

💡 Think about it. If you managed to lower the trend to 8 percent, your healthcare costs would **double twice** in the same amount of time.

Bottom Line: To *significantly reduce* the trendline & efficiently manage healthcare costs, executives partner with WellNet Healthcare for smarter self-funded solutions.



Managing Your Healthcare Benefits Through The Virginia Consortium



Consortium Advantage

School System Receives:

- Lower:
 - Premiums
 - Claims &
 - Admin Costs
- Ownership of Unused Claim Reserves
- Single Monthly Billing
- Complete Pass-Through of Rx Rebates
- Lower Trend / Shared Risk

Employees Receive:

- Lower Prescription Costs
- 24/7 Access to Cigna Providers
- Incentivized Wellness Program
- Case Management
- Employee Assistance Programs
- High-touch Member Service

WellNet's Administration Value Proposition

- Elevated Claims Experience
- Dedicated Account Management
- Concierge Advocacy
- Ongoing Plan Management
- Accurate & Timely Reporting
- Celebrating their 30th year

Jefferson Health Plan Value Proposition

- Underwriting
- Vendor Management
- Health Plan Compliance
- Administration Support
- Approaching \$250m in reserves
- Fiscal Year 2023 Health Plan Trend: 3.36%

Other Features

- Public employers banding together to mitigate cost/risk
- Competes with Anthem's Local Choice
- Better Benefits/Local Delivery of Service/National network you know and trust
- Security of a fully insured model with the benefits of being self-funded
- Stabilization of premiums/Strong reserves
- Renewals line up with the state budget process. Rates locked in by February 15th for July 1 renewals
- No lasers
- If the School is in a deficit at the end of the year, they can borrow the money at zero percent interest for 3 years
- No RFP required
- Government Purchasing Structure/ Non-Profit

Experienced Partners



For additional information or to receive a quote

Please contact your advisor or WellNet Healthcare:

Dave Earle

Chief Healthcare Strategist
704-369-6565 mobile
dearle@wellnet.com

Dr. Jim Blevins

Senior Advisor
434-258-7220 mobile
jblevins@wellnet.com