

Employee Benefits: Actuarial Considerations

Timothy J. Luedtke, FSA

Principal & Consulting Actuary

Navigator Benefit Solutions, LLC



**Navigator Benefit
Solutions LLC**

Treasury Disclaimer

- **IRS Circular 230 Disclaimer:** To ensure compliance with IRS Circular 230, any U.S. federal tax advice provided in this communication is not intended or written to be used, and it cannot be used by the recipient or any other taxpayer (i) for the purpose of avoiding tax penalties that may be imposed on the recipient or any other taxpayer, or (ii) in promoting, marketing or recommending to another party a partnership or other entity, investment plan, arrangement or other transaction addressed herein.
- Further, Navigator Benefit Solutions LLC is a small two person organization and its principals and members are NOT tax advisers, any information must be reviewed by the recipient with their own tax advisers.

Curses or Blessings

- *“May you live in interesting times”*

Health Care Reform

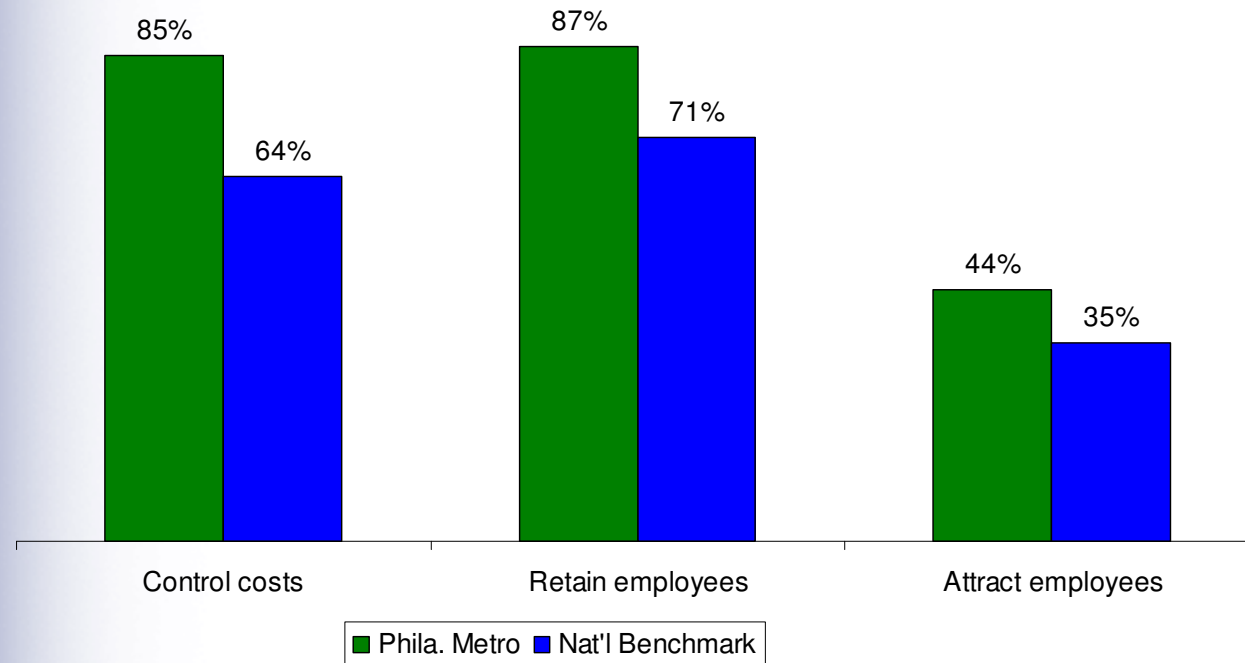
- *“May you come to the attention of those in authority”*

Public Option

- *“May you find what you are looking for”*

Better Health, Security, & Freedom

Philadelphia Mid-Market Benefit Objectives



Consumer-Driven Health Care Savings

Actuaries Found . . .

- **12 – 20% 1st Year Savings Over Traditional Plans;**
- **Savings Continued In 2nd Year – 3-5% versus PPO Plans;**
- **Significant Increase in Preventative Services; and**
- **Cost Savings NOT Result of Avoiding Appropriate Care.**

American Academy of Actuaries / Consumer-Driven Health Plans Work Group, May 2009; "Emerging Data on Consumer-Driven Health Plans"

What Do We Need?

Advocates That *LEAD*,

Not Soldiers That *FOLLOW*.

Employee Acceptance

	<u># of Employers</u>	<u>Aggregate Enrollment %</u>
PPO	54	63%
POS	27	68%
HMO	35	47%
Consumer-Driven Plan	15	92%

***Use Consumer-Driven Plans to
Control Costs, Retain Employees,
and Attract Talent***

Why Brokers Care ?

- Health Care Reform Changes;
- Potentially Reduced Role w/Exchanges;
- Compensation Disclosure & Fee Negotiation;
- Promote Industry Specialization.