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# BUILDING MATERIALS DISTRIBUTION

# USI RESPONSE REQUEST FOR PROPOSAL

Rob Sbisa  
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916 337-7069  
CA DOI 0719968

Don Frisbie | VP HR & Org Effectiveness  
Building Materials Distribution

Cindy Thompson | CFO  
Building Materials Distribution

# Executive statement



Dear Don,

USI Insurance Services has reviewed Building Materials Distributors (BMD)'s Request for Proposal (RFP) for Brokerage of employee benefits programs and features. We have extensive experience with large, multi-state employers and understand your needs: health care costs escalating at a rate significantly higher than consumer inflation (itself now rising at a historically high rate), specialty and other drug costs, producing communication of benefit plans that resonate with your employees and their families.

We have formatted our response to include hyperlinks throughout the document — providing you with quick and easy access to work samples and supporting material. We have also submitted our RFP response electronically so that these hyperlinks are more easily accessed for BMD leadership team members evaluating our submission. We appreciate the opportunity to propose our services and look forward to presenting our services in further detail. Please do not hesitate to contact me for further information or clarification.

916 337-7069  
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CA DOI 0719968



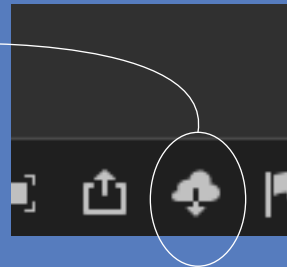
*This document is available as an interactive PDF. Some of the 3D and animations are not compatible in PDF.*





**The USI ONE Advantage® – to analyze our client’s business issues and challenges, our benefits team leverages USI ONE®, a fundamentally different approach to employee benefits and risk management. USI ONE integrates proprietary business analytics with a network of local and national technical experts in a team-based, consultative planning process to evaluate the client’s risk profile and identify targeted solutions. Clients then receive tailored recommendations for improving their employee benefits plan through cost reduction and service enhancement resulting in an employee benefit trend advantage.**

To download the static PDF version of this response, click the cloud-icon in the lower right corner of your browser



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# SCOPE OF WORK



This response mirrors the order and content outlined in BMD's Request for Proposal, CONSULTANT QUESTIONNAIRE. Herein, we provide brief descriptions and examples related to respective points-of-interest.

Additionally, the online, interactive PDF version of this response includes audio/visual media, animations, and other interactive elements. While visible and functional on a mobile device, the online interactive version is best viewed from your desktop monitor with audio output.

*Please watch this brief instructional video on how to best view this response...*



# 1 USI PROFILE



## 1.1 What are your company's core insurance products/ services

USI offers a wide range of insurance products and services, including property and casualty, employee benefits, personal risk, and retirement solutions. USI serves clients across various industries, including healthcare, construction, transportation, and technology. We enjoy particular recognition for using proprietary national practice features to serve mid-market customers with high-touch services and local subject-matter experts.



USI Insurances Services is a top-tier commercial insurance brokerage consulting firm, specializing in risk mitigation strategies and guiding businesses in effective employee benefits compensation strategies.

### KEY FIGURES

**9,290**

#### EMPLOYEES

Insurance professionals and subject-matter experts

**250**

#### LOCAL

Employees within the Central Valley of California

**23**

#### DEDICATED

Personel providing service to BMD

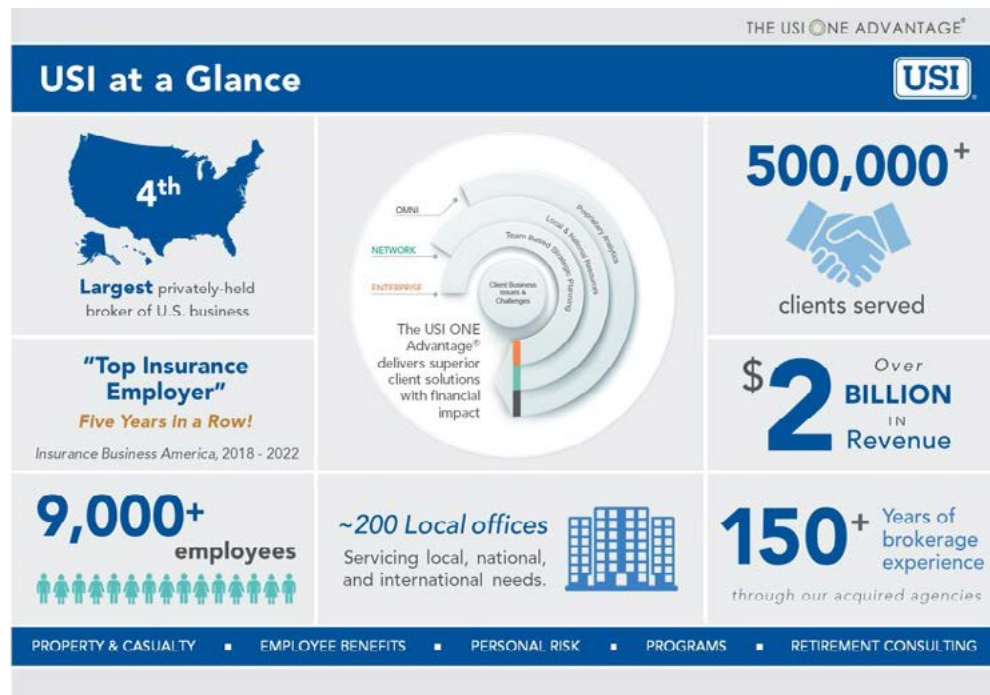




## Business Philosophy

From many great individuals USI has become one unique industry leader. USI began in 1994 with a single office of \$6.5 million of revenue and 40 associates. Today, USI has over \$2.5 billion in revenue with approximately 10,000 associates in nearly 200 offices across the country.

USI has served over 500,000 clients meeting their property & casualty, employee benefit, personal risk and retirement needs nationwide. We have more than 150 years of consulting and brokerage experience through our acquired agencies, with local offices dating back in their communities as far as the late 1800s. USI combines industry leading national capabilities delivered through longstanding, passionate and committed local service teams. USI stands for Understand, Service and Innovate. At USI we work to Understand the specific needs of our clients, to provide an unparalleled local Service experience, and to Innovate with cutting edge solutions so our clients can continue to invest and grow.





## 1.2 Company ownership – private v. public

Founded in 1994, privately held, USI Insurance Services LLC is an operating company wholly owned by USI, Inc.—which, in turn, is majority owned by USI Advantage Corp., which is controlled by entities affiliated with Kohlberg Kravis Roberts & Co. L.P (“KKR”), and Caisse de Dépôt et Placement du Québec (“CDPQ”). The remaining shareholders are made up of USI executives and employees, who not only have a financial stake in USI, but also retain decision-making responsibility with respect to day-to-day operations and client engagement at the local level.

## 1.3 Is there anything in your ownership or structure that will impact service over the next 5 years?

USI does not expect change of ownership over the next 5-years.

In 2022, USI experienced the greatest single-year organic growth in the history of the company. True, like all national brokerages, USI normally seeks to acquire qualified, superior agencies and much of our historical growth has come from acquisitions. Organic growth is different.

When any business sees growth in its customer base generated by each unique new customer’s own self-interest, that is testimony the business has struck an important, successful message.

Pending changes would include continued refinement our positive work-product features and services that have put USI in a state of exclusive competitive advantage. Our goal is to not only continue to attract quality, high-value customers, but to improve on the features that originally attracted the customers we have.

# 1 ABOUT USI

## 1.4 How long has the company been in business

Founded in 1994, 2024 will be USI's 30th year in business.

## 1.5 Corporate headquarters location

USI Insurance Services  
100 Summit Lake Drive, Suite 400  
Valhalla, NY 10595

## 1.6 California regional/local office location

USI Insurance Services  
10940 White Rock Road  
Second Floor  
Rancho Cordova, CA 95670

## 1.7 Number of total company employees

USI currently has over 9,000 employees.

## 1.8 Number of California local / regional office employees

California:  
Local: 200+



## 1.9 Disciplinary actions on file with any state's insurance commissioner or any regulatory body

None.

## 1.10 Your target market company volume and/or number of employees

While USI is one of the largest insurance consultant/brokers in the country, with customers as large as more than 250,000 employees, the vast majority of our business is in the mid-market segment, of 125-2,500 employees.

Our unique, propriery solutions are tailored for businesses that do not necessarily have an unlimited budget for internal resources.

### *Locally*

The team dedicated to serving BMD currently has 83 customers. The largest customer has 12,000 employees. The mid-section of our book ranges in customer size from 500 to 4,000 employees.



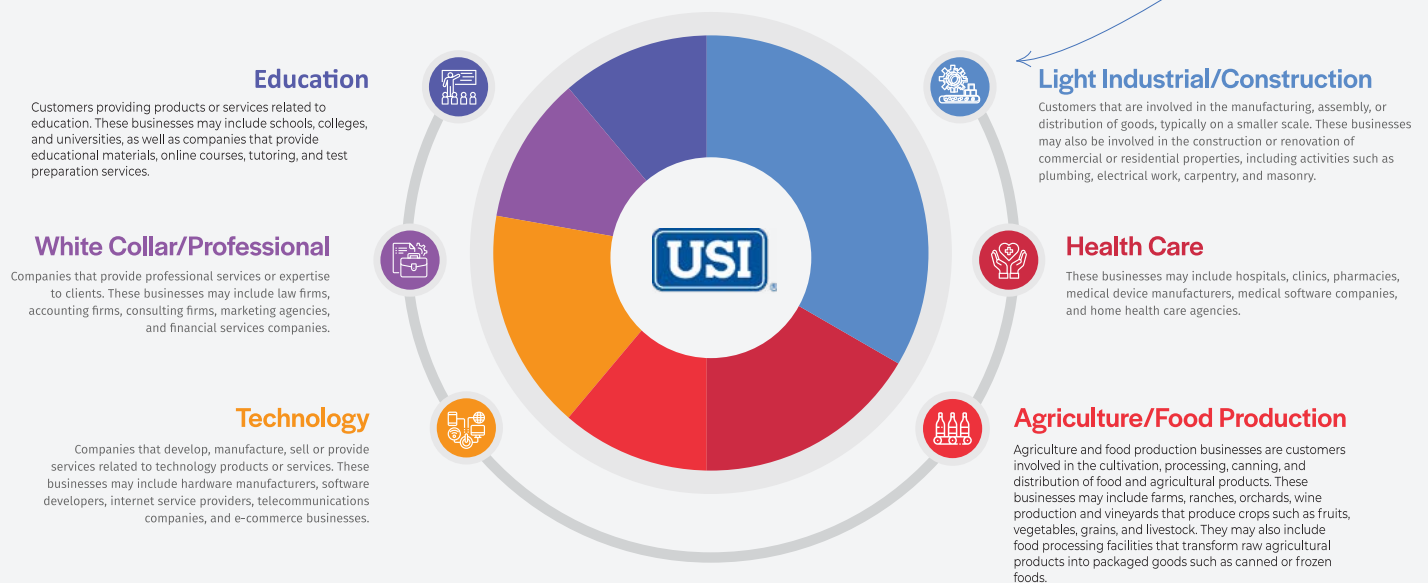
## 1.11 Your mix of business by industry / business type

We are employee benefits generalists. BMD's local team's customer mix is a microcosm of USI's national practice. Locally, about 40% of our benefits customers may be categorized as "light/industrial", 20% health care or health sciences, 15% agriculture/food production, 10% tech, 10% white-collar professional, 5% education.

### USI Benefits

BMD's Local Team Industry-Customer Breakdown

*Hover over icons to see detail*



# 1 ABOUT USI

## 1.12 Your mix of clients – fully-insured, self-funded, captive, multi-state, multi-company

### Customer Types

| BMD'S LOCAL TEAM BOOK

Customer Type	Total Per Type	Multi-state Per Type	Multi-Company Per Type	% value
1 Fully-Insured	62	16	13	75%
2 Self-Funded	14	8	10	17%
3 Captive	7	4	3	8%
4 Totals	83	28	26	

## 1.13 Your experience/mix of ESOP employee-owned companies

According to the National Center for Employee Ownership (NCEO), as of 2021, of approximately 5.9 privately owned businesses in the United States, approximately 6,600 are majority employee-owned (0.0012%). This includes companies that are fully employee-owned, as well as those that have a significant portion of their stock owned by employees through an employee stock ownership plan (ESOP) or other employee ownership structure.

The USI team responding to BMD's request has several customers within the above descriptions, but no customers that are majority or 100% wholly owned by employees.

# 1 ABOUT USI

## 1.14 How many clients does each account manager typically support

There are five Managing Brokers on Sbisa's team in the Sacramento office handling 83 customers. Gregg Passmore, Senior Vice President, is in charge of 15 of these accounts.

### Account Manager | NUMBER OF ACCOUNTS EACH

Managing Brokers	# Clients	# % of Book
1 Managing Broker	32	39%
2 Managing Broker	8	10%
3 Managing Broker	4	5%
4 Gregg Passmore	15	18%
5 Managing Broker	24	29%

\* Fun fact: The above table is alpha-sorted by Managing Broker name from the database. I could have reordered it, but decided to keep it as it is for visual engagement. - Rob

## Does any of this work? How do we know?



### A Direct, perpetual engagement

Our plan year begins day-one, with a service map of the entire year, available online for BMD to view and comment on ongoing, defined projects. With such transparency in our team management, BMD is able to see in real time the quality of our work and whether it's being done.

### B We ask

We believe in blunt, forthright communication. A benefit year is fast, dynamic, and involves myriad personalities, needs, and methods. Understanding this is the beginning of successful outcomes. We will ask whether the work we are doing is satisfactory, and ask how it can be improved.

### C We commit

Understanding what the customer wants and relaying this understanding back to them is the best means of mastering expectations. Each plan year comes provided with a detailed map of tasks, who is responsible, when it is due, and noted it has been handled satisfactorily.



## 1.15 How do you differentiate yourself from your competitors



**IBA “Top insurance Workplace” 2022, 2021, 2020, 2019, 2018**

Our successful culture has made us a Top Insurance Employer by Insurance Business America for five consecutive years

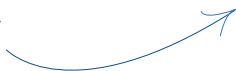
Thank you for asking!

What truly distinguishes USI as a premier insurance brokerage and consulting firm is the USI ONE Advantage®, a game-changing value proposition that delivers to clients a robust set of risk management and benefit solutions with bottom line financial impact. USI ONE® represents Omni, Network, Enterprise—the three key elements that set USI apart from the competition.

Through USI ONE, we develop strategic, timely and effective risk management and benefit programs in terms that are easy to understand, and we demonstrate how the solutions can have positive economic impact.

USI ONE — our Omni Knowledge Engine™, with our Network of local and national resources, delivered to our clients through our Enterprise planning process gives USI fundamentally different solutions, the resources to deliver, and a process to bring superior results to our clients.

*Hover or click these icons...*



**OMNI**

**Network**

**Enterprise**

# 1 ABOUT USI



## I'm With U

USI's "I'm with U" diversity and inclusion platform represents our firm's collective commitment to innovating and advancing our diversity and inclusion initiatives.



**USI Gives Back** is a unique and thoughtful corporate social responsibility program that aligns with our core values and makes a positive difference in the neighborhoods where we live and work. USI Gives Back is an annual, nationwide campaign where everyone comes together as ONE to invest their time, talent, and treasure in local community service throughout the year.

## USI's Values

At USI, we are guided by the following core values that help us achieve our mission and enable us to deliver long-term benefits for our employees, shareholders, clients, and local communities.

- **Excellence:** We strive to deliver the highest quality solutions and services to our clients through a rigorous process that generates actionable, quantifiable solutions.
- **Collaboration:** The best solutions and services for our clients and our communities are achieved through the collective knowledge and experience of our professionals. We are stronger and wiser working together as ONE.
- **Accountability:** Superior service and quality results come from empowered employees who are responsible for their actions.
- **Transparency:** We provide our clients with full knowledge of the opportunities and outcomes that we present, thereby cultivating trust, integrity, and longstanding partnerships.
- **Creativity:** Forward thinking, game-changing solutions are at the soul of USI. We expand and change the dialogue on our client's preparedness, leveraging innovation to transform the business model from an insurance checklist to a proven and measurable process for minimizing risk.
- **Community:** At USI, we are proud of the deep roots we have in our communities. With agency offices dating back over 150 years in their local neighborhoods, our teams have a passion for getting involved and helping others who are in need. We believe in corporate social responsibility, and through our actions, including our award winning USI Gives Back program, we demonstrate compassion, dedication, and drive to improve the communities where we live and work.
- **Consistency:** Our resource-intensive, consultative approach remains consistent from the onset through each consecutive renewal. Our clients know what to expect and they know they can count on us to be there when they need us.



# 1 ABOUT USI



**USI Cares** offers assistance to employees and their families who are experiencing financial hardship and distributes up to \$100,000 to employees in need each year.



**USI Educates** is a scholarship program established to assist employees and their families in financing a child's four-year, full-time college education, with up to \$15,000 per year to be used to pay tuition and expenses for a student pursuing a bachelor's degree.

## **USI's Culture**

Our culture is based on constant client advocacy, strong team interaction, shared knowledge, efficient processes, and a desire for continual improvement. Quality and results are the essence of our culture. As industry-leading specialists, USI works with you every step of the way to protect your business and your bottom line. We are hands-on, entrepreneurial, highly skilled, and committed to helping you manage costs and implement successful risk management programs. Our people have deep roots locally, with access to national and global resources. For several decades, we have built trusted relationships with organizations and individuals in various industries. We understand the limited time and resources you have to dedicate to insurance needs. Therefore, we tailor our services accordingly.

USI provides BMD with access to an unsurpassed variety of premier benefits, risk management, and insurance solutions. We offer a unique, holistic approach that's backed by a powerful assemblage of resources, industry expertise, and creativity — delivered with attentive, timely, and courteous service.

By design, our consultative approach incorporates a high level of client contact. While other firms may have sales executives who “write the business” and then hand the client off to other associates for long-term and day-to-day management, we've structured our organization so that our most-experienced executives remain involved with the client throughout the entire course of our relationship. We employ this model because we know it makes a significant difference in the level of quality, access, communication, and results for our clients.

Other USI programs for the benefit of our associates help to build a more sustainable business environment through corporate social responsibility, financial assistance, and educational scholarships.



## **USI Employee Benefits Consulting**

USI's employee benefit practice is designed to optimize benefit plans through comprehensive cost containment, best in class pricing, regulatory compliance and superior account service, including:

- Underwriting & Insurance Analytics – Analyzing data from multiple sources to manage and negotiate plan costs.
- HR Services – Administration platforms, call centers and service calendars to ease administrative burdens.
- Population Health Management – Plan design, disease management analysis and aligned incentives to improve health.
- Compliance/Healthcare Reform – Tools, expert guidance, and policies to promote compliance with federal and state regulations.
- Healthcare Cost Management – Options for members to make more efficient care decisions without sacrificing quality.
- Pharmacy Benefit Consulting – Solutions to increase transparency and minimize pharmacy costs.
- Ancillary Benefit Consulting – Competitive marketing and scoring to drive results for other benefit services.



## 1.16 How do you differentiate yourself from your competitors

First, we seek to understand.

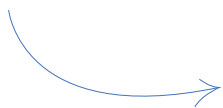
USI analyzes client business issues and challenges leveraging USI ONE®, a proprietary platform integrating analytics, networked resources and strategic planning to deliver customized solutions with economic impact.

Through USI ONE, we develop strategic, timely and effective risk management and benefit programs in terms that are easy to understand, and we demonstrate how the solutions can have positive economic impact.

Locally, your USI team is most known for its exceptional people with collective decades of experience in employee benefits, plan design, benefits delivery communications, and proficiency in benefits-tech.

Unique, differentiator features included in our proposal:

*More on these features throughout this response*



**OMNI Knowledgebase Engine**

**Budgeting tools**

**Population Health Management**

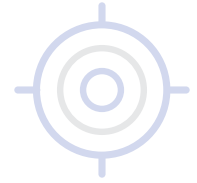
**Self-funding expertise**

**Dedicated underwriter/analyst**

**Compliance experts**

**Custom benefits media**

**Direct-service help-line**



*Core Benefits*  
*Financial Products*  
*Wellbeing*  
*Discretionary*  
*Enhancement*

## SERVICES RELATED TO THE FOLLOWING PROGRAMS:

- Medical, prescription drug, dental, and vision benefits
- Life insurance, including voluntary employee and dependent life and AD&D
- Long-term disability
- Flexible spending accounts – Health care and dependent care
- Employee assistance program
- Wellness Program
- Voluntary benefits including Critical Illness, Hospital Indemnity, Short Term Disability, Group Accident, Pet Insurance
- Employee Discounted Programs: Travel Emergency Assistance, Identity Theft Protection, Online Will Preparation

### Core Benefits

- BMD's USI consultants have a combined 60+ years experience in underwriting/ plan analytics, rate development, self-funded plan budget projections, plan design and economic selection theory, adverse selection mitigation. These key disciplines transcend all core benefit underwriting negotiations and placement.  
  
USI Rx Solutions and Clear Options Rx are unrivaled in the employee benefits sector. Terence Killilea, PharmD, a team member, has a track record of establishing PBMs from scratch. Under his leadership at USI, our proprietary Rx pricing and management tools have been developed, resulting in millions of dollars saved in Rx costs for our clients.
- A key factor in a successful and dynamic employee benefits compensation strategy is access to USI's analytical tools and your consultants' expertise in using them. USI's 3D (Data Driven Decisions) enables your team to analyze the actual performance of BMD plans and suggest enhancements for improved performance.



**That which is measured can be improved.**

# 2 TECHNOLOGY, REPORTING AND ANALYTICS



## 2.1 Software platforms used?

Internally, USI deploys proprietary software solutions for use by its producers and other team members. These connected, enterprisewide systems allow clean, seamless integration in multiple disciplines.

For example, when a new customer is processed within our onboarding protocol, critical customer plan data is uploaded into a single system that feeds several resources. This way, plan benefit information used by our Benefits Resource Center (help line) is the same plan benefit information used to populate various employee guides and other communications.

### *OMNI Knowledge Engine*

OMNI, which means “all,” is USI’s one-of-a kind solutions platform — real time, interactive, dynamic, and evolving, and customized for each client. Built in-house by USI subject matter experts, OMNI captures the experience of more than 500,000 clients, thousands of professionals, and over 150 years of business activity through our acquired agencies.

- ▶ Proprietary Analytics
- ▶ One-of-a-kind tool built by USI subject matter experts
- ▶ Actionable Solutions Engine
- ▶ Codifies the broad and deep knowledge of USI specialists into thousands of actionable risk management solutions across industry verticals
- ▶ Real Time Analysis

## 2 TECHNOLOGY, REPORTING AND ANALYTICS

- Continuously refreshed to meet current market conditions
- Quantifiable Financial Impact
- Solutions focused on economic impact to your business

### *USI 3D: Data Driven Decisions*

Your Account Team utilizes one of the most powerful analysis tools available in the industry: USI 3D. This tool affords us access to full claims data downloads at regular intervals and allows for the granular analysis of claims utilization from a population of employees while providing annual historical comparisons as well as normative comparisons to a national database.

By combining clinical data and analytical expertise and pairing them with advanced technology and customized consulting, we provide clients with an exceptionally detailed view of their claims. This offers outstanding insights into clinical patterns unique to a plan's participants. Armed with these insights, we project future risks and costs over time and make benefit and program design recommendations that positively affect future-plan utilization. We can clearly identify the drivers behind the costs and integrate this information into solutions designed to moderate trends. By continually monitoring plan performance against the stated objectives, we help our clients measure overall effectiveness and make sound, informed decisions for the future.

The 3D: Data Driven Decisions analytical tool provides up to 36 months of claims data to assess plan efficiency in several areas, including clinical, utilization, financial and pharmacy.

#### **EVALUATING CLINICAL DATA**

USI's broad network of locally based underwriters and analysts utilize 3D data to measure how an employer's trend compares to the benchmark. If the client's trend is higher than the benchmark, strategies are recommended and implemented to reduce costs. Last year, USI reviewed the claims of a client that was facing a trend assumption of 12% for medical. USI benchmarked the 36 months of data for the client and found that their trend was lower than the

## 2 TECHNOLOGY, REPORTING AND ANALYTICS

benchmark. The USI underwriter contacted the carrier with these findings and was able to reduce the trend to less than 8% on a multi-year basis, which ultimately lowered premiums.

The ability to conduct a comprehensive analysis of your claims data allows USI to provide BMD with exceptional insights into future risks and costs and offer customizable risk mitigation solutions to help your business leaders make smart decisions with meaningful financial impact.

USI 3D is additionally instrumental in developing the information and recommendations we share in quarterly experience meetings, as well as for renewal planning. The power of the tool lies in the detailed information our analytical team can retrieve and — in turn — leverage to negotiate better and more consistent rating from our stop-loss carrier partners. Carrier reports are also incorporated in utilization analysis, and we include our proprietary reports as well, to better dissect the complex utilization patterns inherent within a client's population.

Through USI 3D — in combination with our own proprietary reporting tools — we are also able to help BMD project the potential impact of plan design changes, improve the quality of health care delivery, promote specific participant behaviors, reduce cost, optimize risk-adjusted revenue, ensure payment accuracy and support compliance.

# 2 TECHNOLOGY, REPORTING AND ANALYTICS

## **BUDGETING AND PROJECTION MODELER**

USI partner, Blue Raven, is an actuarial, analytics, and insights company with a focus on the U.S. healthcare system. This partnership allows BMD's USI consultants and underwriters to accurately forecast plan costs and budget targeting from BMD's own plan data and trends.

# 2 TECHNOLOGY, REPORTING AND ANALYTICS

## 2.2 Describe security measures for the protection of data and data privacy

Digital networks not only allow people to communicate and share information around the world, they also allow objects to store information, sense and control each other across connected infrastructures creating opportunities for more direct integration between the physical world and computer-based systems. This not only results in improved efficiencies, accuracy and economic benefits, but a greater risk of data disclosure. These new risks have caused regulators to increase information security and data privacy rules, including specifying information security requirements designed to protect the confidentiality, integrity, and availability of critical business and client information.

*Click or scan for the USI's whitepaper on data security*

At USI, we consider our information security and data privacy programs as crucial components of our business strategy.

USI is committed to protecting information assets, critical data, and client information. We view information security and data privacy as foundational components of doing business.

This document is a summary of our information security and data privacy programs. It provides a synopsis of how we secure your information and the systems housing this information.

The focus of our information security and data privacy program and practices are to share information appropriately and lawfully, while ensuring confidentiality, integrity, and availability. [Read More...](#)

# 2 TECHNOLOGY, REPORTING AND ANALYTICS

## 2.3 What reporting and analytics do you provide and how frequently

### USI 3D

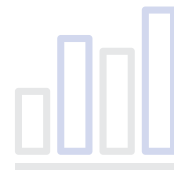
As described in the preceding response, USI's Data Driven Decision (3D) analytical tool is a state-of-the-art reporting tool that is able to highlight critical trends within BMD's plan experience and utilization.

#### CASE EXAMPLE

##### Evaluating Clinical Data with 3D

<b>Company Background</b>	A company with 725 employees hired USI after receiving higher-than-average premium increases for two years. The customer spent \$8.1 million on its self-funded health plan and needed to gain better control of expenses.
<b>Key Challenges</b>	<ul style="list-style-type: none"><li>▶ The USI population health manager reviewed the customer's 3D report and identified high catastrophic claims and low compliance with annual preventive care protocols.</li><li>▶ When reviewing the 3D medical intelligence report with the client, the population health manager illustrated how a lack of preventive care leads to costly undiagnosed diseases and recommended offering employees an incentive to comply with preventive care guide-lines.</li><li>▶ BMD agreed to offer the employees that had an annual physical a premium contribution differential.</li></ul>
<b>USI Solutions Offered</b>	USI designed a step-by-step communications campaign that explained the importance of preventive care and helped employees find an in-network primary care physician.

# 2 TECHNOLOGY, REPORTING AND ANALYTICS



## Quantifiable Benefit to Company

- ▶ Because of these solutions, our customer saw a 50% increase in preventive care visits, with 69% of employees participating.
- ▶ Emergency room visits decreased by 15% and inpatient days also declined by 22%.
- ▶ Most importantly, several employees reported early diagnosis of chronic conditions that would have turned into catastrophic claims had they continued untreated.

## UNCOVERING EXCESSIVE UTILIZATION PATTERNS

USI's 3D analysis allows users to evaluate plan utilization by provider or network reporting, setting of care, or diagnostic procedure reporting. When any of these areas show higher utilization than the benchmark, Omni solutions are proposed and modeled for the client to demonstrate the impact on claims costs

3D's reporting frequency is typically done on a quarterly basis. However, ad hoc reporting can be provided on-demand, or monthly, as required by BMD.

## BUDGETING AND PROJECTION MODELS

Budgeting and projections - a discipline different than experience reporting - is normally provided quarterly, with a main annual projection provided well prior to each plan renewal.

## 2.4 What technology tools and platforms are available to your clients and if so, is there a cost?

The following platforms and features are available to customers at no additional cost.

### USI HR TECHNOLOGY TEAM

USI supports BMD's HR team in creating and managing a strategic benefits program that provides the best value for your business and the best benefits program for your workforce.

USI deploys our own, internal team of nationally networked HR Technology consultants to support our clients who are going through an HR Technology evaluation and/or acquisition process. This matching process is done through a series of needs assessments and discovery calls/meetings.

USI has personally vetted more than 90 payroll, HCM, benefit administration, and HRIS technology providers.

Upon review of your needs assessment, we utilize our knowledge and experience to identify 3 – 5 best-in-class solutions for BMD based on your strategic needs, administrative set-up, budget constraints, etc. We then provide best-practice insight to conducting the RFP/ interview process.

The following platforms and features are available to customers at no additional cost.

- Plan experience dashboard, internal processes, and budget projector
- Support to define current gaps and opportunities — outlining existing technology deficits and expectations
- Facilitate demos and vendor introductions
- Aid the vendor evaluation process utilizing our Vendor Questionnaire and Vendor Demo Scorecard
- Identify the best-fit third-party solution providers utilizing our vendor selection tools and vendor summaries
- Manage providers post-implementation and facilitate issue resolution

## 2 TECHNOLOGY, REPORTING AND ANALYTICS

**OUR UNBIASED APPROACH HAS PROVEN TO BE INVALUABLE TO OUR CLIENTS — ALLOWING US TO BE IMPARTIAL IN OUR SEARCH FOR THE MOST APPROPRIATE, AND INNOVATIVE SOLUTION ON THE MARKET.**

We advocate for BMD's best interest. Our objective in recommending benefits administration technology is to provide efficiencies, empower employees, improve productivity, increase compliance, reduce risk, and improve communication to your valued employees. USI has also entered agreements with several carriers who offer technology credits to help offset or eliminate the cost of enrollment systems.

For more information about our HR Technology Team, please watch our video at the thumbnail link on the right.

Unique to our industry, USI made the strategic decision to designate all critical consulting, services, and resources provided by USI experts as core services to its clients. All service members and team members are USI employees who are directly accessible. We do not outsource, nor do we upcharge for their services. In short, any BMD consulting need will be met by your dedicated team of USI experts. We are steadfast in our belief that ownership of these in-house services and resources optimizes the value and efficiency of the consulting advice and program management we offer to our clients.

### **FEATURES AVAILED FOR CUSTOMER USE**

Unique to our industry, USI made the strategic decision to designate all critical consulting, services, and resources provided by USI experts as core services to its clients. All service members and team members are USI employees who are directly accessible. We do not outsource, nor do we upcharge for their services. In short, any BMD consulting need will be met by your dedicated team of USI experts. We are steadfast in our belief that ownership of these in-house services and resources optimizes the value and efficiency of the consulting advice and program management we offer to our clients.

## 2 TECHNOLOGY REPORTING AND ANALYTICS

- ▶ **Human Resources Support** — aids with Human Resource outsourcing, employee communications, online tools, benchmarking, enrollment support, customized enrollment materials, claims resolution, benefit value statements, and more. Anne Burkett leads the HR Technology Team which has completed an audit of over 75 software vendors. USI will work with BMD to understand your individual needs, and from there implement the correct technology platform as needed, including technology compatible with existing solutions. Some of these tools include the
  - ▶ MyBenefits2GO mobile app
  - ▶ BrainShark
  - ▶ FLIMP.
- ▶ **HR services** – HRIS/HCM/benefits administration platform evaluation and consulting, US-based telephonic employee advocacy centers, compensation consulting, executive benefits, leave management, year-round service calendars to ensure projects are completed and scheduled accordingly.
- ▶ **Benchmarking** - industry-leading employee benefits benchmarking survey – over 8,000 employer benefit plan sponsor participants.
- ▶ **Population health management** – data-driven strategy design, proactive cost containment, disease management analysis including aligned incentives to improve health driven by robust data analytics through USI's 3D analytics.
- ▶ **Compliance/Healthcare reform** – Tools, expert guidance, and policies to promote compliance with federal and state regulations.
- ▶ **Care Intervention & Healthcare cost management** – Options for members to make more efficient care decisions without sacrificing quality.
- ▶ **Pharmacy benefit consulting** – Plan design management strategies, contractual expertise and solutions to increase transparency and minimize pharmacy costs.
- ▶ **Ancillary and voluntary benefit consulting** – Competitive marketing and scoring to drive results for ancillary and employee sponsored complimentary and strategic benefits.
- ▶ **Mergers and acquisitions** – Provide employee benefits due diligence prior to the transaction, risk solutions during the transaction, and risk management and change management/communications post deal closing.

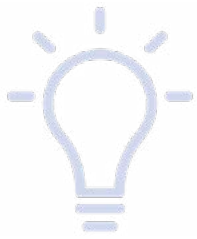
## 2 TECHNOLOGY, REPORTING AND ANALYTICS

- ▶ **Population health management** – data-driven strategy design, proactive cost containment, disease management analysis including aligned incentives to improve health driven by robust data analytics through USI's 3D analytics.
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# 2 TECHNOLOGY, REPORTING AND ANALYTICS

## National Benefits Benchmarking Survey

USI's annual employee benefits benchmarking survey is the largest of its kind in the industry. In 2022, it gathered data from over 9,000 employers nationwide. BMD will be able to compare its benefits offerings, such as plan design, HSA employer contributions, paid time off, and vacation days, against those of similar industries, similarly sized employers, and employers in its geographic region. This annual survey has proven to be highly valuable to USI's clients and is eagerly awaited each year.



*Pro-tip: These are interactive images. Try it!*



*Hover over the image to expand the view*

*Click the image to read this article (PDF)*

*Click the image to read this article (webpage)*

Results from the USI Benefits Benchmarking study will help BMD:

- Objectively measure the value of the employee benefits plan
- Determine the competitiveness of the plans compared to industry peers
- Understand how the plan can be structured to optimize the talent retention
- Develop a multi-year benefits and communications strategy

## 2.5 Describe your experience with UKG

### **USI BENEFITS TECH CONSULTING**

Unlike other brokers who may resell a particular technology product, USI is independent and takes a holistic approach in addressing existing technology and carrier relationships. Our dedicated team of HR Technology Consultants are experts in HR technology and work to find the right-fit technology solution to meet the business, people, and budget goals. For clients in need of a new HCM or benefits administration solution, USI makes the evaluation and selection journey easier with our proven discovery process, proprietary vendor database, best-practice tools, and resources.

USI leverages national partnerships and status as a leading middle market broker to improve the customer service experience with technology vendors. These partnerships provide exclusive discounts, resources, and experiences to improve efficiency and reduce the expense of technology investments.

**USI and UKG have an informal relationship to help support the needs of our common clients with their HCM technology (UKG Pro, UKG Ready, UKG Pro Benefits Administration). As part of this relationship, USI has access to the UKG Strategic Benefits & Advisor Alliances Portal as well as priority status with key resources in the UKG Strategic Benefit Alliances team. USI HR Technology Consultants also sit on several advisory groups and provide input based on experience from the broker perspective. USI and UKG hold monthly calls to discuss specific client situations, UKG**

## 2 TECHNOLOGY, REPORTING AND ANALYTICS

**organizational changes, technology roadmaps, etc. USI also supports UKG customers in finding UKG partners who can provide support for implementation, optimization, and EDI feed implementations.**

For USI clients, strategic HR technology consulting is an included service within our comprehensive fee. Upon engagement with USI, the HR technology team will work to identify current needs and design an appropriate go-forward strategy. If the strategy includes an evaluation to find a new solution, USI offers strategies ranging from preferred pricing to technology credits from select carriers to subsidize technology investments.

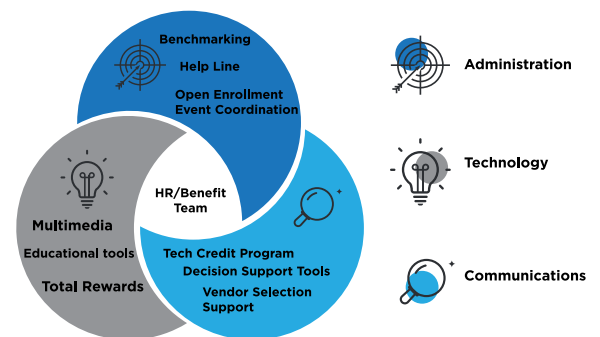
# 3 SERVICE AND SUPPORT TEAM



## 3.1 Provide an overview of customer service and support; dedicated or call center; location

### Administration

- ▶ Dedicated account management
- ▶ Service calendars
- ▶ Annual Service Calendar
- ▶ Multi-Year Strategic Planning Calendar
- ▶ Compliance Calendar
- ▶ Communications Calendar (Timely)
- ▶ Benefit Resource Center (BRC)



### HR Technology

- ▶ Technology Credit Program (TCP) reduces cost of ben admin technology
- ▶ Match client with appropriate technology
- ▶ (HCM, Ben Admin, ACA reporting, etc.)

# 3 SERVICE AND SUPPORT TEAM

## Communications

- ▶ Customized employee communications
- ▶ Guidebooks, meetings, webinars, video, etc.
- ▶ Total Value Statements
- ▶ Explainer videos
- ▶ Virtual presenters (English and Spanish)



*Explainer - English*



*Explicador - español*

## Day-To-Day Administration and Support for Issue Resolution

Your Consultants, **Rob Sbisa** and **Gregg Passmore**, and Account Executive, **Michael Lee** are available to your staff daily.

Strategic issues are the responsibility of the Consultants and the Account Executive: plan design/contribution strategy, funding recommendations, vendor selection, budgeting, cost analysis, solution recommendations, and long-range planning.

# 3 SERVICE AND SUPPORT TEAM



*Take a look at the BRC!*

## *Benefits Resource Center (BRC)*

The Rancho Cordova office of USI is a founding pioneer of the practice of availing a dedicated staff of insurance professionals to customers' employees and their families. Around 1991, our office hired our first "help desk" employee, whose sole task was to take calls from customers' employees/families and provide plan education, personal assistance with claims and insurance company challenges. Since that initial hire, this service has evolved to the state-of-the-art technical proficiency for which it is known today.



Benefit plans are complex. For your plan to run properly, it's necessary to coordinate random interactions between many people, providers, computers, plan provisions, language, or other complications. Amazingly, this coordination happens millions of times each day, mostly with great efficiency. Nonetheless, there are times that we simply need

# 3 SERVICE AND SUPPORT TEAM



*Take a look at  
the BRC!*

help navigating these plans. For this purpose we provide our Benefits Resource Center. USI's Benefit Resource Center provides individualized support for employee benefit plan interactions:

- ▶ Provides resolutions for elevated claims, billing, and eligibility issues
- ▶ Answer benefit plan/policy questions
- ▶ Assist with eligibility and claim problems with carriers
- ▶ Provide claim appeals information and process
- ▶ Explain allowable family status election changes
- ▶ HIPAA Compliant
- ▶ All inquiries are documented in a call tracking system
- ▶ Utilization reports generated quarterly
- ▶ Reduce your cost of employee benefits administration. Average saving of \$2.00 per month per employee
- ▶ Relieve HR staff from time spent on administration
- ▶ Increased employee satisfaction and awareness of benefits plans
- ▶ Quarterly reports provide insight on critical communication improvement opportunities

The BRC now provides direct benefits services for hundreds-of-thousands of insureds throughout the nation. Our local office handles over 100,000 requests-for-service (RFS) each year. We have over a dozen insurance professionals that take calls from 7:30AM to 5:30PM (Pacific), Monday through Friday, and are also available through email.

## **Dedicated**

Make no mistake, the BRC staff are not account executives who switch uniforms when a person calls in. These are entirely dedicated professionals with one job: Boot up the computer, take calls, fix things.

### **The Standard Response Times**

Reasons people call the BRC are as varied as the people themselves. That said, the the standard response time is immediate. We are well-staffed and are able to immediately provide service to all callers. There are periods during the year (November's large open enrollment season) where there can be a slightly longer hold time.

### **Promotion**

Obviously, we are proud of this unique service and advertise and promote it during open enrollment meetings, mailers, web, and other media (check out the QR code on this page!).

# 3 SERVICE AND SUPPORT TEAM



*USI Steer  
Resource*

## 3.2 Use of your website as a mechanism to provide support to your clients

USI has built a reputation for technological superior advancement in technological features benefiting our customers and their employees. As an example, just weeks after the recent COVID-19 pandemic began, USI developed and deployed our [COVID-19 Resource Site](#).

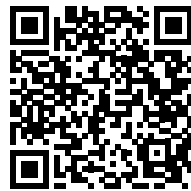
### BENEFITS WEBSITE

Upon request, USI will provide an employee-facing benefits resource site. This site provides plan descriptions, enrollment resources, plan descriptions and documents, required employer notices, and informational explainer/information videos and other media.

### USI MOBILE APP, MYBENEFITS2GO

USI's MyBenefits2Go mobile app gives BMD employees and their families access to their benefit information, 24/7, at their fingertips from the convenience of their mobile devices. This customizable app in their pocket means immediate access to

- ▶ Details about plan each plan's benefit description
- ▶ View and share digital versions of their insurance ID cards
- ▶ Easily find plan group ID numbers
- ▶ Contact insurance carriers and providers with the tap of a button
- ▶ Receive reminders and other timely messages from BMD's benefits team



*Try it!*



Have you downloaded **MyBenefits2GO**? Access key coverage details and contact information from anywhere.

Search *MyBenefits2GO* and when prompted, enter code:

B50309

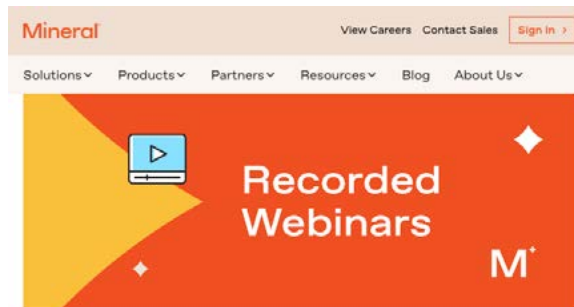
# 3 SERVICE AND SUPPORT TEAM

## HUMAN RESOURCES RESOURCE SITE

USI makes available to BMD, at no additional cost, the massive resources available at our partner platform, Trustmineral.com.

Mineral gives BMD's benefits team one place to

- ▶ Tackle HR and compliance basics
- ▶ Monitor your organizational health
- ▶ Boost employee engagement
- ▶ Step up your compliance game



### 5 Common HR Challenges and How to Solve Them with Mineral

Date: March 7, 2022

No business should be caught by surprise when HR and compliance regulations change. With Mineral in your corner, we got you covered, all in one convenient place. Whether you are part of an HR team at your organization, or one person juggling HR amongst your other responsibilities, Mineral solutions are here to help you save time and headaches tackling common HR and compliance challenges.

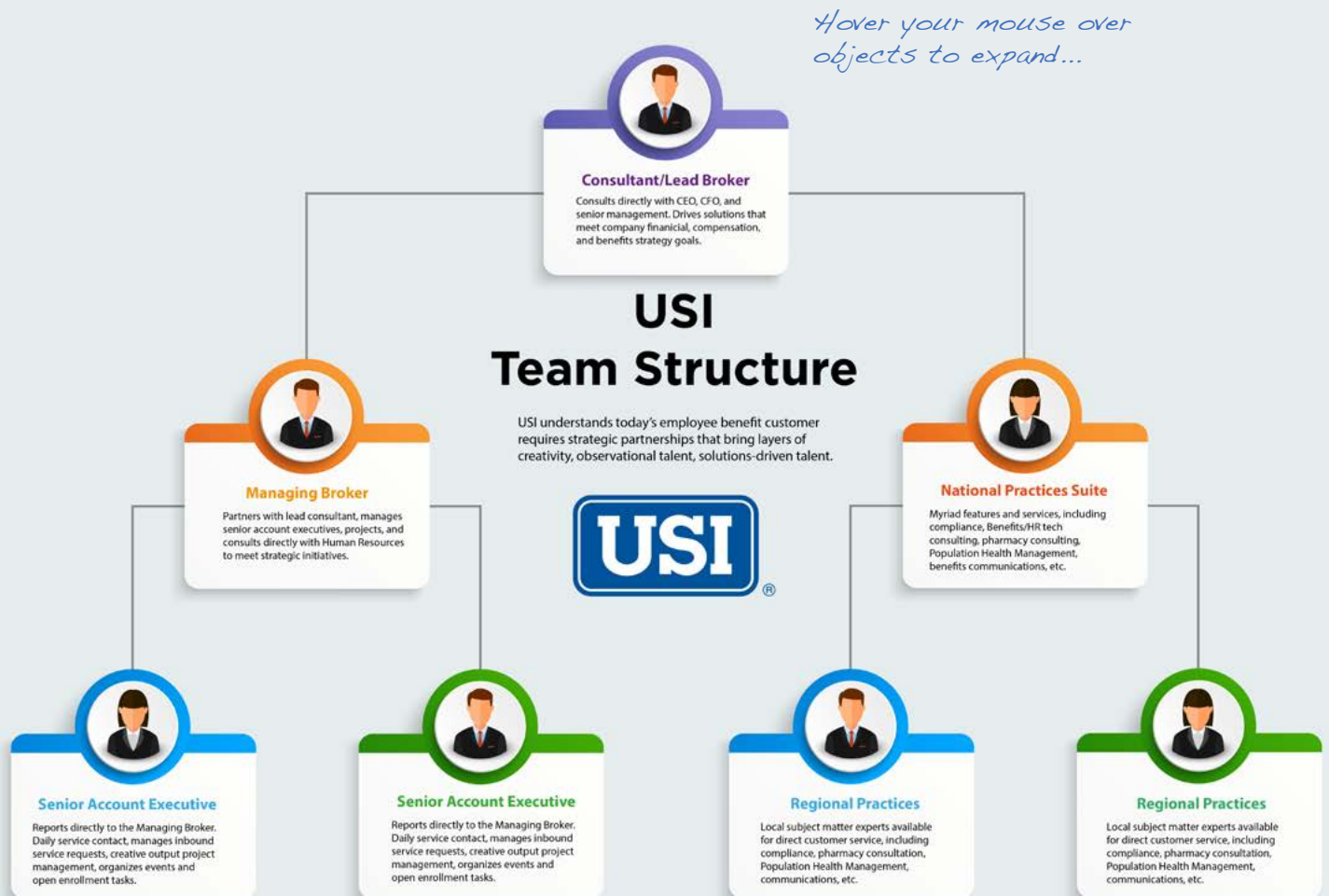
Join Mineral experts, Renee Farrell, HR Expert, and Aurelia Bell, Associate Product Marketing Manager, for a high-powered session on how you can leverage your Mineral tools to navigate today's workplace challenges.

# 3 SERVICE AND SUPPORT TEAM

## 3.3 Provide a sample service agreement

Please download a [sample customer service agreement](#). Please know, **this sample is generic** in nature and may be customized and adapted to BMD, per conversations concerning features and services required or requested.

## 3.4 Structure of team, i.e., account manager, service representative, etc.



# 3 SERVICE AND SUPPORT TEAM

## 3.5 Provide resumes or biographies of the service team, experience levels (years), location

### Meet Our Team



#### ROB SBISA

Executive Vice President/  
Lead Consultant

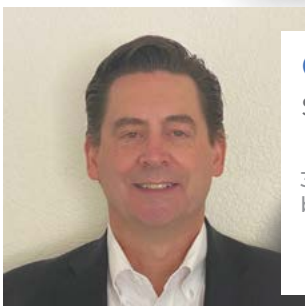
35-years as employee benefits  
broker/consultant. Sacramento, CA



#### ANA USÓN

Senior Account Executive

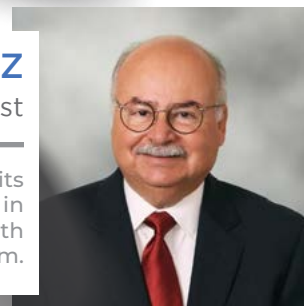
35-years as employee benefits  
broker/consultant. Sacramento, CA



#### GREGG PASSMORE

Senior Vice President

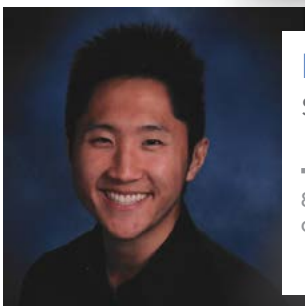
33-years as employee benefits  
broker/consultant. Sacramento, CA



#### BILL HERNANDEZ

Lead Underwriter/Analyst

50+ years as employee benefits  
broker/consultant. Lives in  
Santa Fe, NM. Works exclusively with  
this Sacramento team.



#### MICHAEL LEE

Senior Account Executive

8-years as employee benefits broker/  
consultant. Sacramento, CA



#### MELISSA BILSTAD-MEYERS

Compliance Lead

25-years as compliance consultant.  
10-years with USI. Walnut Creek, CA

# 3 SERVICE AND SUPPORT TEAM

## 3.6 What is the turnover of your service team?

Our team is recognized at USI and within our business community as a destination, with many team members providing service to customers for decades. Aside from a single team member retiring last year, after having worked for our team for 22-years, we have had no turnover.

## 3.7 Provide information on the lead salesperson or consultant who will be assigned to BMD. Please include clients this individual handles with average size

Working with Rob Sbisa, Gregg Passmore, the consultant appointed to BMD, provides service and consultation to fifteen USI benefits customers. The average size of Passmore's customers is 1,845 full-time, benefits eligible employees. His largest customer has +/-12,000 employees. His smallest customer has 157 employees.

## 3.8 Where will our designated team members be located

All team members providing dedicated service and daily interaction with BMD work from the Sacramento office of USI (located, specifically, in Rancho Cordova, CA).

## 3.9 Hours and time zone for customer service support. Weekend or after-hours availability.

USI's Sacramento office operates from 7:00 AM - 5:30 PM, Monday through Friday. However, the lead consultants, Sbisa and Passmore are accessible to provide service and assistance at any time, 24/7/365.

# 3 SERVICE AND SUPPORT TEAM

## 3.10 Describe support escalation process (i.e., claims issues)

Your USI team provides several layers of client direct service. This includes executive, HR and benefits staff, and employee/dependent direct service.

### DIRECT SERVICE

Employee benefits constitute a unique insurance experience, marked by a diverse array of interactions and engagements among plan members, providers, businesses, billing departments, and provider staff. Despite the high volume of these interactions, they typically transpire in an impressively efficient manner. However, customers and plan members understandably anticipate a smooth and trouble-free transactional process. On occasion, professional assistance may be necessary to ensure that these expectations are met.

The term “direct service” refers to in-bound service requests, where external actions or incidents prompt individuals to seek our assistance directly. These requests may originate from a range of sources, including executives seeking support for business planning and strategy, HR or benefits staff requiring compliance-related guidance, and individuals seeking assistance with a claim issue or prior authorization on behalf of themselves or their dependents. Our team at USI is well-equipped to handle these requests and provide the necessary support to ensure a prompt and effective resolution. Most importantly, BMD can expect all parties to receive immediate assistance and follow up.

### Benefits Resource Center

The first and most frequented layer of direct-service initiates from the households of BMD’s employees. Insurance plans are often confusing to the lay-member. Not necessarily because the plan is not working as intended, but because the the transactional processes are very often isolated, new interactions between the family and any number of third-party providers (emergencies, new diagnosis, doctors, hospitals, clinics, pharmacies, dentists, etc.).

USI’s Benefit Resource Center (BRC) is staffed by full-time, dedicated insurance professionals that have but one job: Field calls directly from BMD’s employees, work with the caller to identify the problem or issue, define a resolution process, and begin working directly on the callers behalf to resolve the inquiry.

# 3 SERVICE AND SUPPORT TEAM

Not surprisingly, many calls begin with the caller confused, frustrated, or even angry. For this reason, our BRC staff is specially trained to work with the callers to let them know we are not the insurance company, but insurance professionals working on their side to best resolve their issues.

Callers can expect immediate access to a BRC professional, between 7:00 AM to 5:30 PM, Monday through Friday. They may also send email requests or leave voice messages after ours.

Though most inquiries are relatively easy for our staff to resolve, some requests are quite complicated and require much research and provider interaction. In such instances, the BRC staff will have defined a plan-of-attack and defined resolution process within 48-hrs of the initial inquiry.

## Process

Every inbound direct service inquiry is meticulously logged and tracked, date and time stamped, and 100% HIPAA compliant.

Once the resolution has been defined, the BRC professional will make all necessary calls and emails to providers and billing entities to work through the issue to resolution. They are also trained to provide updates to the original requestor as the process resolves.

## Other Forms of Direct Service

Another layer of direct service typically involves BMD's HR or benefits staff requiring assistance. It's notable that many such inquiries are also related to problems or questions originating with employees or their families. In such instances, we can determine whether the issue is best referred to the BRC for resolution, or requires immediate interaction with the Senior Account Executive, Managing Broker, or Lead Consultant.

Most often, direct service requests from HR/benefit staff are related to more global policy, plan, or carrier inquirees.

Regardless of what the issues may be, the USI executive team is available at any time for immediate service. It is not unusual for customers to be surprised they receive a direct response to their email, sent on a Saturday evening at 10:00 PM. This comes from a "Golden Rule of Service" policy: Simply put, that's the kind of service we want and the kind of service we provide.

# 3 SERVICE AND SUPPORT TEAM

## 3.11 Assistance provided to employees with claims, benefit coverage

The prior response is an apt description of direct service for employee claims resolution process.

We will reiterate that any BMD employee may reach out to the USI executive team at any time to receive direct service and immediate assistance.

# 4 COMPLIANCE

## 4.1

### Does your firm employ an in-house benefits or compliance attorney?

Yes.

#### **USI EMPLOYEE BENEFITS COMPLIANCE SERVICES**

USI has a team of in-house benefits attorneys networked nationally who constantly monitor legal developments that affect health and welfare plans at the state and federal level. USI's local and regional ERISA attorneys work directly with clients and USI account service teams to provide education and guidance on specific issues affecting employer sponsored plans.

- ▶ USI compliance attorneys are embedded in local client service teams and know our clients and the challenging issues they face
- ▶ Attorneys work alongside our underwriting, population health management, and account consultants to recommend client-specific solutions
- ▶ USI helps to ensure you stay informed of regulatory developments and are provided with the necessary tools to comply with existing and developing legislation and regulations

USI's National Employee Benefits Compliance team is comprised of nineteen (19) employee benefits attorneys and three (3) compliance subject matter experts located in regional USI offices. Unique to USI, our service model includes compliance attorneys embedded in local client service teams who know our clients and the challenging issues you face. The USI ONE Advantage® supports nationally networked attorneys providing comprehensive compliance solutions to our clients.

# 4 COMPLIANCE

## 4.2 **Is the in-house attorney available to your clients for consultation and if so, is there a fee?**

Yes, our compliance team is available for consultation.

No, there is no additional fee.

## 4.3 **How do you stay current with state regulations that impact multi-state employers and what resources do you provide to your clients to stay current and maintain compliance?**

USI's National Compliance Team, including our in-house ERISA attorneys, provides expert guidance on new developments and ongoing requirements affecting health and welfare plans.

- Team of Locally Based, Nationally Networked Compliance Attorneys
- Monitoring of all Facets of Health and Welfare Guidance, Including Statutes, Regulations, and Case Law
- Compliance Reviews
- Health and Welfare Plan Compliance Education
- Ongoing Articles, Workshops, and Seminars
- State and Local Benefits-Related Issues
- Compliance Guides and Sample Documents
- Assistance with Notice and Disclosure Requirements

### **HEALTHCARE REFORM (ACA)**

Although our compliance attorneys cannot provide legal advice to our clients, they provide much-needed support, answering specific questions such as those surrounding the value of grandfathered status under the Affordable Care Act (ACA), the interaction between Medicare and group health plans, whether specific situations constitute changes in status under cafeteria plan rules, whether certain contribution strategies are discriminatory, and

# 4 COMPLIANCE

what can be used and disclosed under HIPAA Privacy and Security Rules. USI uses various tools to determine a client's compliance with the ACA. USI addresses any gaps in a client's current program regarding Employer Penalty exposure.

Our macro-analysis addresses financial impact to the employer and employee, including considering tax consequences and whether the employer maintains coverage, drops coverage, or drops coverage and provides compensation to employees to offset the loss of benefits. The analysis also includes any PCORI and Health Insurer fees applicable to your program.

## COBRA GUIDANCE

All members of the National Compliance team have considerable experience with respect to federal continuation of healthcare coverage law (COBRA) as well as the similar state continuation laws that exist in many states.

USI provides the Company with information regarding vendors who provide quality COBRA administration services. As COBRA can be the source of significant liability, it is important to ensure that notices are provided timely, with the required content, and with the proper tracking.

Our National Compliance Team has prepared a variety of related materials and has significant experience in assisting clients with meeting their COBRA administration requirements. The team will also provide advisement on COBRA subsidies through the enactment of the American Rescue Plan Act (ARPA).

## 4.4 How do you keep BMD updated on ERISA and compliance changes in the market?

With the volume and complexity of employee benefit regulations on the rise, we recognize your need to understand what is truly relevant and to minimize your risks. Our communications cover:

- ▶ Federal updates such as changes in the tax code that could apply to your organization directly or to related stakeholders such as insurers who may shift their costs to you.
- ▶ State updates such as new state paid leave laws.

# 4 COMPLIANCE

USI's National Compliance Team does not rely on secondary sources. Our benefits attorneys read all relevant laws and guidance and confer with each other to create materials to educate our staff and our clients.

USI has developed communication mediums that allow us to quickly disseminate information regarding impending deadlines, changing legislation, and employer obligations, along with guidance about how to remain in compliance. These compliance resources are outlined in the table below.

## **WORKSHOPS, SEMINARS, AND WEBINARS**

USI's National Compliance Team provides informative webinars and seminars regarding legislative developments and interprets impacts to employers which:

- ▶ Focus on the most pressing issues of the day
- ▶ Identify key takeaways and next steps
- ▶ Include question and answer sessions with our compliance experts to provide clear understanding of the issues

Each event usually lasts about an hour and is recorded for future playback.

## **LEGISLATIVE AND REGULATORY UPDATES**

USI's National Compliance Team provides comprehensive and practical analysis of federal and state legislative developments

# 4 COMPLIANCE

## COMPREHENSIVE EMPLOYER GUIDES AND TOOLKITS

USI provides in-depth analysis and guidance to help BMD navigate through complex rules, regulations, and plan strategy decisions USI's National Compliance Team provides BMD:

- ▶ A detailed roadmap to the multitude of requirements affecting your health and welfare plans
- ▶ Tactical advice regarding implementation and consequence management

## IMPACT AND BENEFITS [FOR ALL THE ABOVE]:

- ▶ Substantially reduces your HR team's time investigating complex issues
- ▶ Delivers timely, relevant, and accessible material, prepared by our in-house attorney team
- ▶ Provides comprehensive and practical analysis
- ▶ Provides recommended specific action items for employers and employees

## 4.5 Process for checking accuracy of coverage, policies, premiums, etc.

USI has established proven protocol and peer review processes for plans, policies, and communications. The Managing Broker, Passmore, oversees the placement process. Each policy and other documentation is subject to a multi-layer peer review process.

## 4.6 5500 annual reporting services

USI manages the entire Form-5500 process through and presents to the customer a completed, peer-reviewed, signature-ready form, ready for E-filing. There is no additional charge for this service.

# 4 COMPLIANCE

## 4.7 ACA compliance and reporting services

### USI COMPLIANCE CHECKLIST REVIEW

Your USI Account Manager identifies exposures and offers remedies to support BMD's compliance with state and federal and benefit laws, including the ACA. Our account managers work with our National Compliance team to identify key areas for compliance review and review procedures. The team discusses the issues identified through the review and collaborates on proposed action items to address issues and mitigate potential risks for BMD.

While USI does not file forms, we routinely provide guidance and information related to

- ▶ Form 1095-C: This form is used to report information about the health insurance coverage offered to employees by applicable large employers (ALEs). ALEs are those employers who have 50 or more full-time employees, including full-time equivalents, during the previous year. Form 1095-C is used to determine if an ALE is subject to the ACA's employer shared responsibility provisions.
- ▶ Form 1094-C: This form is used to transmit Form 1095-C to the Internal Revenue Service (IRS).
- ▶ Form 1095-B: This form is used to report information about the health insurance coverage provided to individuals by insurance companies and self-insured employers who are not considered ALEs.
- ▶ Form 1094-B: This form is used to transmit Form 1095-B to the IRS.

### IMPACT AND BENEFITS

- ▶ Identify exposures to penalties under various benefit-related laws including ERISA, ACA, and HIPAA
- ▶ Provide strategies and procedures to mitigate existing exposures and eliminate future exposures
- ▶ Review process is included in our standard service offering

# 5 EMPLOYER SERVICES

## 5.1 **Services provided to HR/Benefits department and fees, i.e., COBRA administration, HSA/HRA plans, Section 125 administration. Do you provide in-house or sub out.**

USI provides consultation, implementation, service, and fee negotiation for myriad essential third-party services, such as COBRA, benefits administration systems, HRIS, FSA/DCAP administration, etc.. We do not perform these services in-house.

USI has found our ability to select and negotiate the proper service providers whose features and methods best fit the customer is better for the customer than attempting to fit the customer into a one-size-fits-all internal service.

## 5.2 **Claim resolution support services**

Servicing claims issues and escalation varies greatly from fully-insured to self-funded plans. One reason is, the self-funded employer is the insurer.

Servicing escalated claims issues with a self-funded plan requires skilled understanding of the dynamic between the member, the plan sponsor, HIPAA, and inherent flexibility within the plan structure. If a claim were clearly handled incorrectly, or incongruent with the Summary Plan Document, USI would find it fairly easy to correct the TPA and have them work within the plan language.

# 5 EMPLOYER SERVICES

If, however, the claim issue is an outcome or decision within the plan guidelines, but unsatisfactory to the member, greater care is required. A plan sponsor's decision to make an exception in such an instance can have broad, unintended/unforeseen consequences. We work closely with our compliance team and BMD to ensure we have a full, 360-degree view of how we can handle the claim issue in a fair manner that does not jeopardize the plan or sponsor.

Fully-insured plans, conversely, allow for more aggressive claims negotiation. The risk-dynamic and even regulations (overseen by DOI and DOC, instead of ERISA) allows for different tactics when negotiating outcomes.

In short, when the effective "insurance company" is your customer, one must appreciate the nuance when escalating claims issues with the TPA.

## 5.3 Describe any additional services, such as wellness programs, and costs

There is no additional charge for the below proprietary USI services.

### INNOVATIVE USI SERVICES AND SOLUTIONS

In a rapidly changing market, where costs remain a concern, the need for innovation is a priority. USI not only stays current with innovative approaches that typically utilize advanced technologies but also continues to drive the development of new strategies to support clients. Our dedicated resources deliver competitive advantage and address a wide range of employer concerns to deliver innovative solutions that provide greater value and efficiency to BMD.

**The USI ONE Advantage®** – to analyze our client's business issues and challenges, our benefits team leverages USI ONE®, a fundamentally different approach to employee benefits and risk management. USI ONE integrates proprietary business analytics with a network of local and national technical experts in a team-based, consultative planning process to evaluate the client's risk profile and identify targeted solutions. Clients then receive tailored

# 5 EMPLOYER SERVICES



*What better looks like!*

recommendations for improving their employee benefits plan through cost reduction and service enhancement resulting in an employee benefit trend advantage.

Please take a moment to watch a dynamic four-minute video that illustrates the USI ONE Advantage and our fundamentally different approach to risk management and benefit solutions. The video demonstrates how USI differs from the competition. Click the thumbnail image at right or visit <http://www.whatbetterlookslike.com/>

**USI's Stop Loss Consortium** – provides employers of all sizes with access to cost-effective stop loss coverage with best-in-class terms and conditions. Through the Consortium, USI has contracted with many of the industries' largest and most innovative stop loss carriers, offering best-in-class contracts and underwriting terms for self-funded clients.

**USI Population Health Management (PHM)** — assists clients in building and maintaining healthier workplaces using an approach that is more comprehensive, creative, and targeted than most “traditional” wellness programs. Development of a PHM program is based upon and driven by your organization's own claims experience and centers around USI's innovative CORE Health Strategy which delivers claims savings through incentivized physician engagement, targeted disease management and comprehensive reporting. We take the time to get to know BMD's culture, budget, employee population and readiness to engage, to offer the guidance that best meets your needs as we work together to help you design and implement your PHM strategy.

**USI Compliance Team** — helps employers comply with federal and state requirements for employee benefits. Melissa Bilstad-Meyers supports USI's Northern California clients, and is one of 19 compliance attorneys located across the country. Melissa is a great resource for questions on topics such as ERISA, COBRA, HIPAA, cafeteria plans, and Healthcare Reform. Our clients receive unrestricted access to our compliance attorneys.

USI compliance attorneys are deployed in the field — not hidden away at the corporate headquarters. This valuable consultative service is included in our fee and unique to USI. With all the questions around Healthcare Reform, and with Human Resource department staff stretched to the limit in most organizations, many of our clients find this to be one of USI's most valuable services.



# 5 EMPLOYER SERVICES

**Human Resources Support** — aids with Human Resource outsourcing, employee communications, online tools, benchmarking, enrollment support, customized enrollment materials, claims resolution, benefit value statements, and more. Anne Burkett leads the HR Technology Team which has completed an audit of over 75 software vendors. USI will work with to understand your individual needs, and from there implement the correct technology platform as needed, including technology compatible with existing solutions. Some of these tools include the MyBenefits2GO mobile app, BrainShark, and FLIMP.

**USI Underwriting & Analytics** — serves as a check and balance with the insurance carriers. The USI Underwriting & Analytics team for the employee benefits practice is made up of over 170 associates in ten geographic regions to support technical assistance to our internal and external partners. This team brings a wealth of industry background to the discipline to include significant time spent at carrier underwriting and consulting practices with individuals having 30 years or more of experience within their respective subject matters. This carrier insight gives us an edge in determining where the carrier is trying to increase profits at your expense. We talk to the carriers “underwriter to underwriter” which drives better savings and allows them to use their inside knowledge. We provide renewal projections six months in advance of the renewal and will review ongoing utilization on a quarterly basis. We analyze over 60 components of the underwriting process such as trend, large claims, pooling level, provider discounts, Rx discounts, funding alternatives, etc. to uncover every possible cost saving opportunity.

**USI Pharmacy Consulting** — USI pharmacy tools provide cutting edge, transparent, cost management capabilities to reduce pharmacy spend and enhance employee offerings. These include client-specific pharmacy trend and benchmark analysis, performance analysis, Rx pricing strategies, Rx program management strategies, and specialty program review.

**USI Ancillary Benefit Solutions** — consists of a team of consultants who continuously search the voluntary marketplace for new products and providers that offer exceptional performance and value. Understanding every clients’ program is unique, our solutions are customized to support ’s culture and goals.

# 5 EMPLOYER SERVICES

## 5.4 Frequency / calendar of client interactions

We use Smartsheet project manager to interact with our customers and make available to them viewable stages of ongoing tasks and completions.

Frequency of USI's interaction with BMD will vary, based on the task at hand. We have many instances where the team engages with a customer several times each day during the course of the plan year.

### Some Standard Schedules

- Quarterly claims analysis
- Semi-annual budget meeting
- Monthly stewardship engagement

Our expectation is we will be interacting with BMD HR/Benefits and finance people several times during the course of a regular week. These contacts will naturally increase during certain times of year, such as open enrollment.

### ADDITIONAL INTERACTION

BMD will collaborate with USI using Smartsheet project manager:




**Project Planning:** BMD and USI will collaborate on project planning in Smartsheet, where we create and share project timelines, schedules, and tasks. Team members add comments, attachments, and update the status of the tasks as needed, ensuring that everyone is aware of the project's progress.


**Resource Allocation:** BMD and USI can use Smartsheet to allocate resources for the project, such as assigning team members to specific tasks and tracking their availability. They can use the resource management tools in Smartsheet to view team members' workload and capacity, ensuring that the project is adequately resourced.


# 5 EMPLOYER SERVICES








**Communication and Collaboration:** BMD and USI will use Smartsheet to facilitate communication and collaboration throughout each project, exploiting the discussion feature in Smartsheet to communicate with each other, share files, and provide feedback on project tasks. They can also use the project dashboard to view project progress and status updates.












## SAMPLE BMD OPEN ENROLLMENT PROJECT MANAG



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 **BMD SAMPLE OE P**

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on	Start	Finish	Predecesso...	Assigned To	% Complete
1d	07/22/22	08/05/22		Michael Lee	31%
1d	07/25/22	07/25/22		Michael Lee	100%
11d	07/22/22	08/05/22		 Gregg Passmore	25%
				Michael Lee	100%
				Michael Lee	100%
				Michael Lee	100%
				Don Frisbie	100%
				 Robert Sbisa	0%
				 Robert Sbisa	0%
				Michael Lee	100%
				 Robert Sbisa	100%
				Don Frisbie	75%
				Don Frisbie	0%
				 Robert Sbisa	0%
				Michael Lee	100%
				 Robert Sbisa	100%
				Don Frisbie	50%
				 Robert Sbisa	0%
				 Robert Sbisa	100%
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				Don Frisbie	0%

# 6 HEALTH PLAN COST CONTROL

## 6.1 Strategies to reduce claims experience and premiums

Effective control within the employee benefits product-sphere is a continuum. The more rigid the funding platform - fully-insured policies, for instance, the more limited the ability to sway outcomes. Conversely, less rigidity, self-funding, brings more opportunity to control costs - at the expense of greater potential risk.

### FULLY INSURED PLAN STRATEGIES

Controlling costs in fully-insured benefits plans can be achieved through various means. These means can be classified into two main categories, namely, competitive forces and cost-shifting.

Competitive forces refer to a finite number of potential suitors vying for the business of the plan holder. These potential suitors compete based on their respective metrics and self-interest. For instance, a competing suitor will assess the potential profitability of the business before engaging in any transaction.

Cost-shifting involves modifying plan benefit features such as copays, deductibles, and coinsurance levels to adjust the actuarial value and transfer some of the real costs from the employer to the employee or dependent member. Additionally, behavioral modification incentives can be employed to promote healthier lifestyles among the plan's membership and reduce potential claims.

# 6 HEALTH PLAN COST CONTROL

While these strategies can be effective to a certain extent, fully-insured policies present challenges such as medical and Rx utilization patterns, cost inflation, introduction of new, highly expensive specialty prescriptions and medical procedures, and provider reimbursement contracting. These challenges can significantly affect cost control efforts.

Most mid-sized employers with fully-insured benefit plans are perennially frustrated by the sense their efforts to control costs ostensibly amount to continually moving uphill, slower.

Additionally, fully-insured plans - regulated by individual states - are subject to myriad mandated benefit rules and features, inherently adding upward pressure and costs to all plans, whether the mandated features are wanted or needed by the individual employer/policy sponsor.

## **Working Within the Fully-Insured Environment**

There are means of improving plan premiums and reducing the pace of premium increases. As mentioned above, these typically involve constraining access. Examples are BMD's offerings of Kaiser Permanente, an effective group-model HMO with limited access to providers and facilities, and the PPO plan offering, which provides economic incentive to receive services through contracted providers. These solutions can be enhanced with further restricted access and limited networks.

Cost shifting through financial incentive, for instance, significantly higher copays for more expensive features, such as name-brand or specialty drugs, provides economic utilization steering.

Lastly, there are several ways to construct utilization modification through carrot-stick incentives via the HDHP/HSA models. For instance, rewarding the HDHP/HSA enrollee with larger employer HSA deposits upon achieving certain wellness goals.

## **SELF-INSURED PLAN STRATEGIES**

Self-funding employee benefit plans significantly changes the control-dynamic:

- While fully-insured plans are regulated by individual states (DOI and DOC), self-funded plans are federally regulated and able to self-determine their benefit features

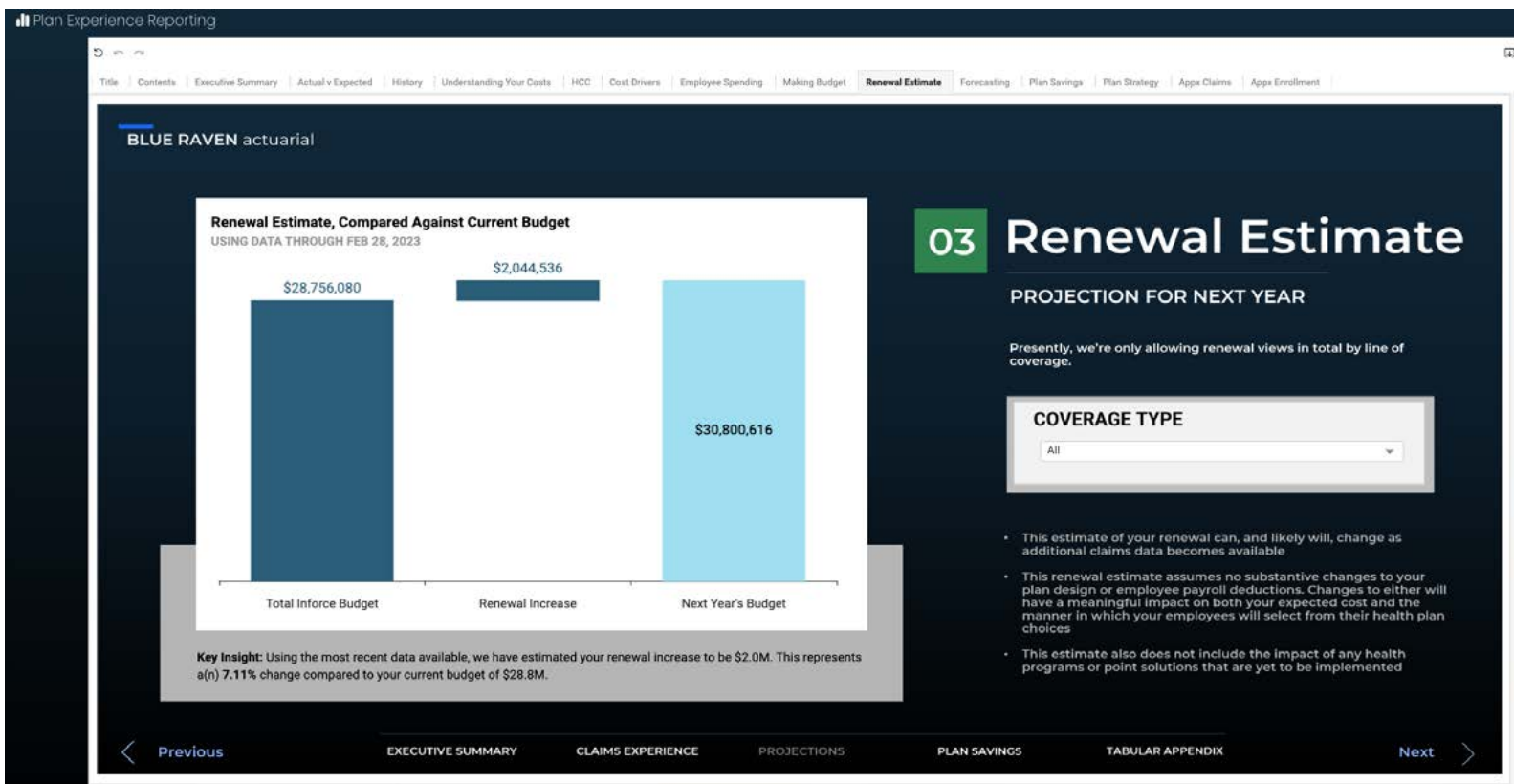
# 6 HEALTH PLAN COST CONTROL

- ▶ Administrative costs and carrier profits are major expenses, and often not transparent in fully-insured plans. Self-funded plans can greatly reduce all non-claims, fixed expenses of a plan.
- ▶ Premium tax, in California, 2.35% of the gross premium of a fully-insured plan, also applies to self-funded plans, but only to the stop-loss insurance premiums. This dramatically reduces the tax expense of a plan.
- ▶ Because self-funded plans are relatively unbundled (not constrained within state mandates and structure) they have far greater ability to reduce overall plan costs with creative strategies, such as
  - ▶ Rx carve-outs, where USI is able to negotiate far better dispense cost agreements
  - ▶ Transplant carve-out, a means of utilizing a dedicated transplant PPO with greater contracted discounts on care
  - ▶ Health care captive arrangements that reduce the cost of stop-loss insurance
  - ▶ Narrowed network strategies
  - ▶ Referenced-based pricing - where the plan negotiates institutional reimbursements based on a multiple of Medicare reimbursements instead of paying a discounted-fee-for-service (the normal PPO contract)
- ▶ Transparency- the self-funded plan shines bright sunlight on utilization and expense patterns, where the plan sponsor (BMD) is able to make plan incentives and modify behavior and patterns. As an example, non-compliance with diabetic protocol, diet, and medication can result in expensive care. The self-funded plan may observe an opportunity to provide additional programs to assist diabetic members to modify their own behaviour.
- ▶ Rx Rebates. Manufacturers often provide incentives to purchase their product in the form of rebates. In the fully-insured model, such rebates naturally belong to and are returned to the fully-insured carrier. These are not small amounts. Additionally, we've not seen instances where Rx rebates related to a customer's own plan membership utilization are itemized in the plan renewal as a credit against the customer's claims experience. When self-funding, the plan sponsor (BMD) newly has access to these rebates to defray plan costs.

# 6 HEALTH PLAN COST CONTROL

## 6.2 Metrics provided on claims experience and premiums

USI applies proprietary analytical teams and features, along with state-of-the-art actuarial analysis tools. Below is an example of one of these tools, Blue Raven Actuarial, a dashboard that will allow BMD to see near real-time reports and analysis on its plan performance. This is a game-changing capability allowing you to see how your plan is performing and make necessary adjustments: exploit what's working and improve areas that need help.



# 6 HEALTH PLAN COST CONTROL

## 6.3 Experience with evaluating and transitioning coverage to other options, such as self-funding or reference-based pricing

As a team providing consultation and service to mid- and large-size customers throughout the United States, we have acquired decades of direct, hands-on experience in evaluating plans, designs, and suitability for alternative funding.

Although self-funding, often through a health care captive arrangement, is not uncommon among employers with as little as twenty-five employees around the country, California has been relatively slow to adopt this model. This can be attributed to population density, the prevalence of HMOs in urban and suburban areas, and perhaps a cultural perception of risk.

Your USI Sacramento team has worked with dozens of California employers to transition to alternative funding models. Our customers seek to understand the risk and reward associated with self-funding and want to feel confident that they are not being left to fend for themselves. We provide the necessary expertise to guide our customers through the entire process, from education and reporting to implementation and ongoing contract maintenance and service.

## 6.4 Benchmarking surveys used to determine if benefits and costs are competitive

Because we understand how critical trend and benchmark information is to the decision-making process, we gather data using a wide variety of tools and resources and share it with our clients. Our benchmarking includes detailed national, regional, and industry level information — as well as information segmented by group size — to ensure that your benefits plan is not only competitive in both scope and price, but also well-positioned to attract and retain top-level talent.

Using our own, proprietary, in-house benchmarking tool, in combination with other national annual surveys, we can provide comprehensive analysis comparing benefits, rates,

# 6 HEALTH PLAN COST CONTROL

and contributions on a regional and national scale, providing same year data to our clients. Virtually every benefits survey in the market has about a 9-12 month lag, understanding that this time lag may vary. With access to such diverse resources, we approach plan design from two directions: using both client-specific data — including industry, size, and location — and local/national trend information.



*Click or scan this code for USI's 2022 Benefits Outlook*

## USI BENEFITS BENCHMARKING STUDY (BBS)

Today, employers face considerable challenges in attracting and retaining talent, making it crucial to possess comparative data on benefits and contributions relative to similar organizations. In the current market landscape, striking a balance between competitive benefit offerings and rising costs is a key concern for employers. USI addresses this need by offering the largest middle-market benchmarking study available.

The USI Benefits Benchmarking Study (BBS) is a comprehensive, nationwide analysis of employee benefits plans, with over 8,000 employers participating in the 2022 edition. Encompassing a diverse range of market segments and industry classifications, the study delivers valuable insights through complimentary assessments for its respondents. Geared towards employers with a workforce of 100 or more, the BBS enables organizations to examine industry trends and ensure the competitiveness of their benefits plans.

- ▶ Over 8,000 employers participated in 2022 survey
- ▶ Current data pulled directly from client management system; not anecdotal survey information
- ▶ Industry, size, and geographic cuts available – identifying trends in your markets. In Southern California, the Los Angeles, Riverside, Irvine geographic cut is most popular. Additionally, we do have industry segments including the retail sector and employer size to fit 's peer group best.

We derive our knowledge of current trends from a variety of resources, including:

- ▶ USI proprietary, in-house benchmarking tool
- ▶ USI account management system reports
- ▶ National survey data

# 6 HEALTH PLAN COST CONTROL

- ▶ Decision Master Warehouse
- ▶ USI 3D
- ▶ Industry publications/resources/associations
- ▶ Carrier resources
- ▶ Milliman

As mentioned above, our agency management system is one of the sources we leverage when helping clients benchmark their plans. This system records and tracks a wide range of data regarding our clients' benefit programs including rates, plan designs, and funding mechanisms, as well as other pertinent eligibility details. We can segment and parse this data by industry (or other parameters), as needed. In instances in which we have a significant local/regional/national client base in a certain industry, we can generate internal reports which summarize the statistics, demographics, and plan details. These reports are de-identified (removing client names) and then can be shared with BMD.

Included with other national benchmarking statistics from USI 3D, we provide clients with additional data about their health and benefit plans. This comparison is typically focused on the following elements:

- ▶ Plans available in the market
- ▶ Prevalence of those plans (movement)
- ▶ Plan provisions
- ▶ Total cost of plans
- ▶ Employer share of the cost
- ▶ Employee share of the cost
- ▶ Trends (typical and leading edge)
- ▶ Cost escalating
- ▶ Trends in plan design and cost mitigation

# 6 HEALTH PLAN COST CONTROL

## 6.5 Provide 2-3 examples on how you controlled costs for actual clients

### USI Cost Control: Example 1

It goes without saying that clients prioritize cost mitigation when it comes to their expectations from health plan brokers or consultants. We appreciate the opportunity to share these examples with BMD, demonstrating how the USI team has consistently met and surpassed client expectations. The following examples were performed by BMD's USI team:

<b>ISSUE</b>	A prominent food production employer in California's Central Valley, with a workforce of approximately 12,000 employees, expressed significant concerns regarding the pharmacy expenses within their overall health and welfare plan. At the time, the prior incumbent broker had established a conventional Pharmacy Benefit Management (PBM) relationship with a nationally recognized vendor. However, the client believed that the costs associated with their pharmacy program were disproportionately high in relation to the overall expenses of their health and welfare plan.
<b>ANALYSIS</b>	USI, specifically the team involved in this BMD RFP response, successfully secured the client's business following a comprehensive and rigorous RFP competition. During the initial analysis, Terry Kililea, Pharm. D., who leads USI Pharmacy Solutions, identified multiple areas within the client's pharmacy and PBM relationship that necessitated updates and modifications.
<b>SOLUTION</b>	Working in collaboration with Passmore and Sbisa, Terry's team initiated a competitive PBM RFP process. As a result of this competitive approach, the team successfully negotiated an updated pricing model with the incumbent PBM. This pricing model is proprietary to USI and exclusive to their clients. Should USI be granted the privilege to participate in BMD's finalist round for this RFP, Kililea would be more than happy to discuss the process and underlying principles in greater detail.
<b>IMPACT</b>	The impact of USI's renegotiated PBM contract was both immediate and substantial. The pharmacy component of the health and welfare plan experienced a reduction of over \$2.4 million in costs, annually. Moreover, this improvement proved particularly beneficial for individual members enrolled in the client's High Deductible Health Plan (HDHP) and Health Savings Account (HSA) programs, as they witnessed a decrease in out-of-pocket expenses for their regular maintenance medications at their preferred pharmacies. The USI team takes great satisfaction in delivering solutions that positively affect both the employer and individual employees.

# 6 HEALTH PLAN COST CONTROL

## USI Cost Control: Example 2

<b>ISSUE</b>	A wood materials manufacturer, specializing in moldings and finished products with operations in upper Northern California and Virginia, expressed dissatisfaction with their escalating health plan costs. The company's fully-insured plan experienced consecutive years of double-digit rate increases. Geographical factors contributed to this predicament, as the region offered only two relatively competitive options for their health plan needs - both of which were "Blue".
<b>ANALYSIS</b>	After securing the client's business from one of the largest broker/consultants in the country, USI commenced a critical analysis led by our chief underwriter, Bill Hernandez. Despite the limited plan experience available, Hernandez conducted a comprehensive demographic assessment and benchmarking analysis. The USI team was confident that the client's plan was well-suited for self-funding; however, the client expressed apprehension. This concern is common among mid-sized employers who are often wary of risk, questioning potential scenarios such as catastrophic claims or a financially challenging year.
<b>SOLUTION</b>	Acknowledging the client's apprehension about transitioning directly from their fully-insured plan to a self-funded arrangement, USI negotiated a level-funded solution with the incumbent Blue Cross Blue Shield provider. While not an ideal resolution, this approach offers significantly greater transparency in terms of plan experience. The USI team recognized that the client would value the ability to analyze data and identify the factors driving their plan's costs. As we expected, newly available transparency of plan data opened a wealth of important detail. For three years, USI was able to delve into their plan costs and drivers and explain what we were looking at to the customer. In a Level-funded arrangement, the carrier returns back to the customer a portion of excess premium. This customer, having received the refund over the three-year period, became convinced they are a good candidate for self-funding - but still somewhat apprehensive. The customer agreed with USI's recommendation to move to a health care captive arrangement.
<b>IMPACT</b>	The healthcare captive arrangement has indeed yielded substantial dividends for the client. The refund they previously received from the level-funded arrangement, which constituted only a portion of excess premiums, has been replaced by a considerably larger dividend from the captive. The advantages of using the claims and experience dashboard enable USI to monitor plan performance and provide the client with near real-time updates on plan activity.

# 6 HEALTH PLAN COST CONTROL

## USI Cost Control: Example 3

<b>ISSUE</b>	A decades-long USI customer, a university system, had grown from originally 700 employees to over 2,000 over time. USI had transitioned the customer from a fully-insured plan to a partially self-funded HMO arrangement, and then to a self-funded EPO arrangement where they remain today. The transparent claims detail available to USI allowed us opportunity to see the health plan and pharmacy costs in great detail.
<b>ANALYSIS</b>	Our underwriter, Bill Hernandez, and the analyst team identified opportunities for savings by applying USI's proprietary PPO discount analysis. Using actual customer utilization data, we were able to track performance and apply real data to alternative PPO networks. Although the customer was already placed with a top-tier, bundled PPO/administrator package, with broad network access, we determined that geographic location of their campuses around California made them ideally suited for a different bundled PPO/admin package.
<b>SOLUTION</b>	The customer agreed with USI's analysis and agreed to allow us to implement the administrator/PPO change at their following open enrollment.
<b>IMPACT</b>	USI's analysis proved to be correct. We almost immediately began to see a -25% reduction in the average PEPM claims spend for the account, and the renewal trend flattened and has remained beneath market averages for years since implementation.



# 6 HEALTH PLAN COST CONTROL

## 6.6 Historical renewal pricing

Of course, we have many customers of many types and sizes. The following information is an analysis of the book of business managed by Sbisa/Passmore showing similarly situated customers (large, multi-state). It is important to note, national medical trend inflated from 8.5% to over 10% during this period. [Click or hover image to expand view.](#)

Customer	Year	Renewal %	Customer	Year	Renewal %
Building materials and supplies	2023	8%	University System	2023	7%
	2022	14%		2022	2%
	2021	4%		2021	-2%
	2020	8%		2020	4%
	2019	2%		2019	8%
Food production	2023	-3%	Medical/Imaging	2023	-1%
	2022	9%		2022	8%
	2021	4%		2021	8%
	2020	4%		2020	12%
	2019	4%		2019	10%

**Combined average: 6% trend**

## 6.7 Provide references from at least three clients in our size that we can call

### Pacific Coast Building Products

Josh Kimerer, CFO  
916-631-6678

### National University

Mary Rudy, Sr. Manager, Benefits  
858-642-8199

### Radnet Management

Anna Williams, Benefits Manager  
310-445-2836

### SBM Management

Kelly Cleveland, Director of Benefits  
916-565-4695



# 7 OPEN ENROLLMENT AND ADMINISTRATION



## 7.1 Process for renewals and marketing, carrier proposal analysis and recommendations



The chart displayed on the subsequent page offers insight into BMD's USI team and our adept handling of the intricate plan renewal and negotiation process. This procedure can be highly complex, given that numerous potential suitors and incumbent plans each possess distinct needs, requests, and requirements to obtain competitive bids. Furthermore, each of these parties submits proposals in their proprietary format, necessitating conversion into a standardized format for USI analysts and consultants to objectively evaluate and determine which policies should advance to the consideration phase. BMD's USI team has effectively mastered this process.



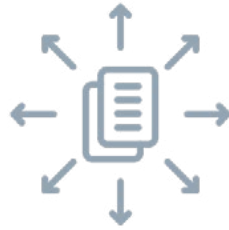
# 7 OPEN ENROLLMENT AND ADMINISTRATION

## PREPARATION



Define the project scope, goals and objectives with BMD. Identify the stakeholders and their needs. Develop a project plan and budget.

## DEVELOP



Develop a Request for Proposal (RFP) document, which includes the project background, requirements, and evaluation criteria. Advertise the RFP and distribute it to potential vendors.

## PROPOSAL



Vendors review the RFP and submit their proposal in response to the RFP.

## EVALUATION



USI reviews the proposals and evaluates them based on the criteria outlined in the RFP. This may include an initial screening, a technical evaluation, and cost analysis.

## SELECTION



USI reviews the proposals and evaluates them based on the criteria outlined in the RFP. This may include an initial screening, a technical evaluation, and cost analysis.

## NEGOTIATION



Once a Vendor is selected, negotiations may occur to finalize the contract terms and conditions.

## AWARD



Once the negotiation is completed, the contract is awarded to the successful vendor.

## IMPLEMENTATION



The vendor and USI begin the work outlined in the contract, data collection, communications production, weekly or daily assessment of progress.

## AUDIT



Prior to project completion the Vendor submits their final deliverables. USI evaluates deliverables against proposed work and works with the Vendor to refine details.

# 7 OPEN ENROLLMENT AND ADMINISTRATION

## 7.2 What is your typical timeline for open enrollment?

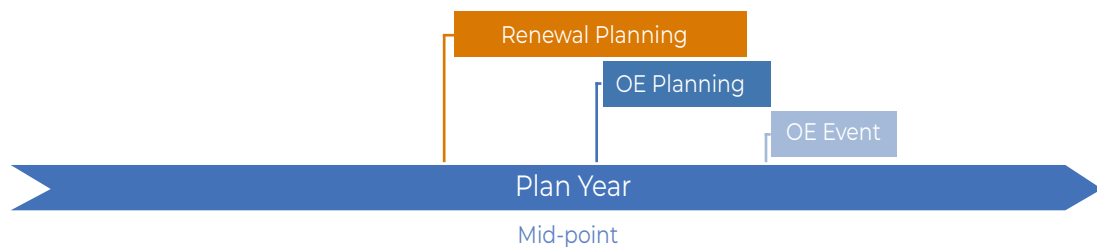
Customers have varied needs and requirements when it comes to their open enrollment - often abbreviated as OE - process. Additionally, many customers have seasonal workload considerations that affect how they run their OE. Other customers elect to hold passive OE, where only employees making changes need login to their benefits-administration system and complete the process. Others hold active-OE, where all employees must login and re-state their elections. Even with all that variance, there is one constant factor: Time.

Your USI team are experts in modeling the OE process that matches BMD's business needs and scheduling. The below timeline Gantt chart assumes BMD requires an active OE process with various digital media, printed material, and multiple on-site and virtual presentations.

### IDEAL TIMELINE

While not always possible, due to a customer's seasonal workforce constraints, for a business BMD's size we prefer to begin the renewal/open enrollment process approximately 7-months prior to the plan renewal. This guideline allows for analysis of plan experience, benchmarking, and benefit committee input, market analysis, new ideas, products, or changes in laws, etc. We aim to have these discussions and analysis finalized no later than 4-months prior to plan renewal.

Concurrently, we begin planning for open enrollment at around 5-months prior to the plan renewal date.



# 7 OPEN ENROLLMENT AND ADMINISTRATION

## 7.3 How do you work with companies to facilitate the process?

There is a dramatic benefit to being the largest, most respected and trusted benefits consultant/brokerage team in Northern California. USI is recognized for its highly-skilled people, consistent process, integrity, and efficiencies. Our vendor partners appreciate working with your USI team and look forward to partnering with us for all projects.

One characteristic every customer and vendor appreciates is our consistent and timely organization when establishing any process with them. Our policy can be stated as: **Effective communication is the burden of the communicator.** Meaning, we recognize our responsibility to ensure every thing goes right and the outcome is what the customer expects. This process includes

- A clear statement of intent provided to the customer and participating vendors, outlining what is changed and how a process is to unfold and complete
- Establish and share the project manager so the customer has 100% access to view where a project is, who is managing it, and its current state of completion
- Regular scheduled touch-point meetings are held to continually nudge and shape a process to accommodate any changes in the customer's needs or conditions
- Team strategy meetings to make sure our processes are in sync with the defined outcome

To summarize, USI collaborates closely with customers and vendors to design and implement a seamless open enrollment process, ensuring that employees have the information and resources they need to make informed decisions about their benefit options.

Our approach begins with a thorough understanding of each client's unique needs and objectives, as well as an evaluation of the available benefit offerings. We then develop a customized communication strategy, utilizing various channels such as webinars, emails, and printed materials to convey essential information in a clear and concise manner.

Throughout the open enrollment period, USI provides ongoing support to both customers and vendors, addressing any questions or concerns that may arise, and facilitating a smooth experience for all parties involved. Our commitment to excellence and personalized service guarantees that each open enrollment process aligns with the client's goals and ultimately contributes to the overall success of their benefits program.

# 7 OPEN ENROLLMENT AND ADMINISTRATION

## 7.4 Provide a list of carriers that you send bids to by coverage type

As a top-tier, national insurance consultant/broker, USI works with many hundreds of carriers and vendors to provide solutions for our customers. Therefore, the below list is not all-inclusive. The vendors shown are a sampling based on our understanding of BMD's size, business type, plan designs, and geographic locations.

*Fully-insured plans are state regulated, often with geographic sensitivities and constraints*

*These self-funded arrangements are often referred to as "bundled", as the administrator, PPO, and [often] stop-loss insurance are packaged with the one carrier.*

COVERAGE	TYPE	PLAN TYPE	VENDOR
Medical	Full-insured	HMO	Kaiser Permanente
Medical	Full-insured	HMO	Blue Shield of CA
Medical	Full-insured	HMO	Anthem Blue Cross
Medical	Full-insured	HMO	Aetna
Medical	Full-insured	HMO	United Health Care
Medical	Full-insured	HMO	Cigna
Medical	Full-insured	HMO	Western Health Advantage
Medical	Full-insured	HMO	Sutter Health Plus
Medical	Full-insured	PPO	Kaiser Permanente
Medical	Full-insured	PPO	Blue Shield of CA
Medical	Full-insured	PPO	Anthem Blue Cross
Medical	Full-insured	PPO	Aetna
Medical	Full-insured	PPO	United Health Care
Medical	Full-insured	PPO	Cigna
Medical	Self-insured	PPO	Blue Shield of CA
Medical	Self-insured	PPO	Anthem Blue Cross
Medical	Self-insured	PPO	Aetna
Medical	Self-insured	PPO	United Health Care
Medical	Self-insured	PPO	Cigna
Medical	ASO	PPO	Varied TPAs <sup>1</sup>
Medical	Self-insured	Stop-loss insurance	Large list of A-rated carriers <sup>1</sup>

<sup>1</sup> These lists are extensive. USI only works with A-rated carriers and vetted TPAs.

# 7 OPEN ENROLLMENT AND ADMINISTRATION

The below list is unordered. Please note that this list is not exhaustive and there are other fully-insured dental plan administrators available in different regions or countries.

COVERAGE	TYPE	PLAN TYPE	VENDOR
Dental	Full-insured	PPO	Delta Dental
Dental	Full-insured	PPO	MetLife
Dental	Full-insured	PPO	Ameritas
Dental	Full-insured	PPO	Guardian
Dental	Full-insured	PPO	Lincoln National
Dental	Full-insured	PPO	Aetna Dental
Dental	Full-insured	PPO	Cigna Dental
Dental	Full-insured	PPO	Anthem Dental
Dental	Full-insured	PPO	United Healthcare Dental
Dental	Full-insured	PPO	Humana Dental
Dental	Full-insured	PPO	Principal Dental
Dental	Full-insured	DHMO	Delta Dental HMO
Dental	Full-insured	DHMO	Aetna Dental HMO
Dental	Full-insured	DHMO	Cigna Dental HMO
Dental	Full-insured	DHMO	MetLife Dental HMO
Dental	Full-insured	DHMO	Guardian Dental HMO
Dental	Full-insured	DHMO	United Healthcare Dental HMO
Dental	Full-insured	DHMO	Humana Dental HMO
Dental	Full-insured	DHMO	Kaiser Permanente Dental HMO
Vision	Full-insured	PPO	VSP (Vision Service Plan)
Vision	Full-insured	PPO	EyeMed
Vision	Full-insured	PPO	United Healthcare Vision
Vision	Full-insured	PPO	Humana Vision
Vision	Full-insured	PPO	Aetna Vision
Vision	Full-insured	PPO	MetLife Vision
Vision	Full-insured	PPO	Anthem Vision
Vision	Full-insured	PPO	Guardian Vision

*Most of the displayed dental and vision fully-insured plans also provide Administrative Services Only (ASO, or self-funded) administration*

# 7 OPEN ENROLLMENT AND ADMINISTRATION

USI recommends bundling life insurance and disability policies with the same insurance company, as there are typically auto-coordination features available. This is not an ordered or exhaustive list.

<b>COVERAGE</b>	<b>TYPE</b>	<b>VENDOR</b>
Life Ins./Disability Ins.	Full-insured	Unum
Life Ins./Disability Ins.	Full-insured	AIG (American International Group)
Life Ins./Disability Ins.	Full-insured	MetLife
Life Ins./Disability Ins.	Full-insured	Northwestern Mutual
Life Ins./Disability Ins.	Full-insured	New York Life
Life Ins./Disability Ins.	Full-insured	MassMutual
Life Ins./Disability Ins.	Full-insured	Lincoln Financial Group
Life Ins./Disability Ins.	Full-insured	Mutual of Omaha
Life Ins./Disability Ins.	Full-insured	Transamerica
Life Ins./Disability Ins.	Full-insured	Guardian
Life Ins./Disability Ins.	Full-insured	Principal
Life Ins./Disability Ins.	Full-insured	Aetna
Life Ins./Disability Ins.	Full-insured	Cigna
Life Ins./Disability Ins.	Full-insured	MetLife

Employee Assistance Plans (EAP) have become extremely important over the last three years. This is not an ordered or exhaustive list.

<b>COVERAGE</b>	<b>TYPE</b>	<b>VENDOR</b>
EAP	Full-insured	ComPsych
EAP	Full-insured	Health Advocate
EAP	Full-insured	CuraLinc Healthcare
EAP	Full-insured	Lyra
EAP	Full-insured	Magellan Health
EAP	Full-insured	Optum Behavioral Health
EAP	Full-insured	Ceridian LifeWorks

# 7 OPEN ENROLLMENT AND ADMINISTRATION

## 7.5 Ability to conduct meetings in different states and time zones, if needed

Over the last near four decades, your USI team has performed thousands of open enrollment, renewal, and strategy meetings for hundreds of businesses. At no time have we been restricted by geography or travel to perform these meetings.

In recent years, especially during the recent pandemic period and incredible advancements in virtual meetings and digital media, customer requests for in-person meetings have dropped considerably - **but not our willingness and ability to perform them**. BMD will define the types of meetings required and where they will be held. USI is here to deliver.

## 7.6 Communication strategies and tools to engage and educate employees during open enrollment and at other times. Provide samples.

As one may have learned from this response to BMD's RFP, USI is the absolute leader in benefits plans creative output. Please click the below QR codes or scan them with your mobile device to see examples.



**Virtual presenters are an efficient way to deliver unlimited media messaging, explainer videos, and event announcements<sup>2</sup>**

*Click icons to view!*

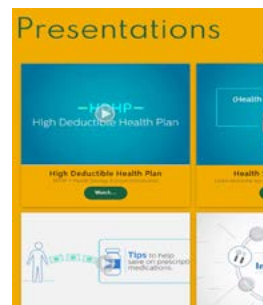
*Interactive Guide*



*Cost Calculator*



*Explainer Videos*



*Mobile App*



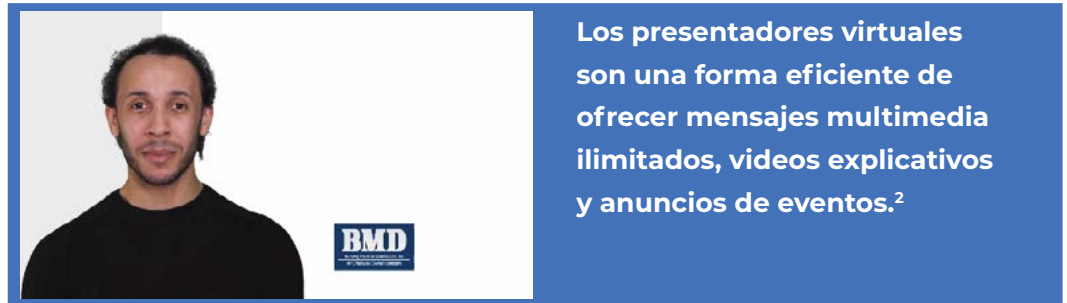
<sup>2</sup>Virtual videos are mere examples. Production-quality videos can be greatly enhanced and refined.



# 7 OPEN ENROLLMENT AND ADMINISTRATION

## 7.7 Spanish language documents, translator provided

USI is able to provide Spanish translation for all media presentations and materials, including Spanish audio and virtual presenters.



**Los presentadores virtuales son una forma eficiente de ofrecer mensajes multimedia ilimitados, videos explicativos y anuncios de eventos.<sup>2</sup>**

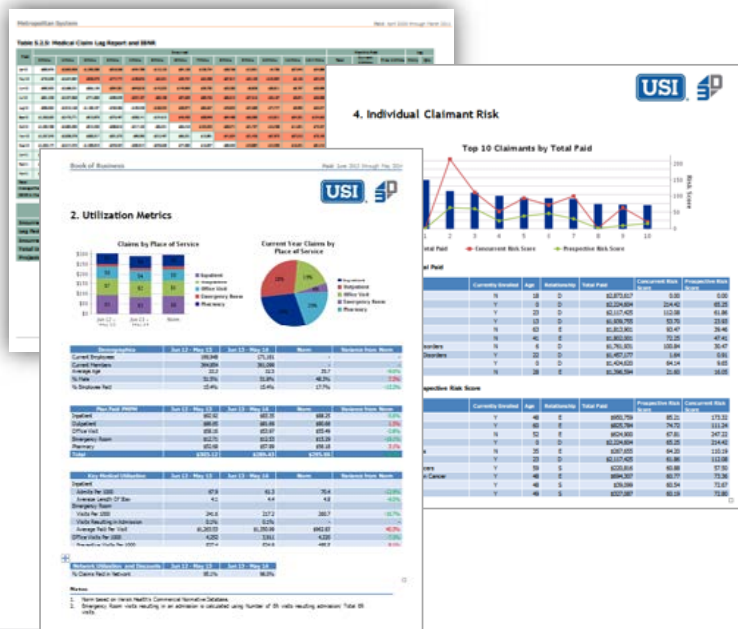
<sup>2</sup>Virtual videos are mere examples. Production-quality videos can be greatly enhanced and refined.

# 7 OPEN ENROLLMENT AND ADMINISTRATION

## 7.8 Process to review and monitor carrier and vendor performance once selected

It's no surprise that the way plan experience data is collected, organized, and presented depends on factors like plan type, funding, and data transparency. However, USI has the know-how to offer high-quality analysis of plan performance based on the available information. For instance, even though BMD's Kaiser Permanente plan doesn't give a detailed breakdown of month-to-month utilization, the plan offers its own metrics that are based on its particular group model HMO plan type. With the help of their partnership with Kaiser Permanente and years of experience, USI's analysts put together plan experience reports that are meaningful and informative.

PPO plans for all stripes - medical, dental, and vision, typically offer greater experience detail. Self-funded PPO plans, even more so. USI analysts and consultants compile plan experience data and present summary reporting to customers, typically, on a quarterly basis. This can be done more frequently upon request.



- 100+ In-house Financial Analysts and Underwriters Nationwide
- Renewal Projections & Funding Analysis
- Alternative Reimbursement Analysis
- Claims Cost and Risk Assessment
- Trend Mitigation
- Plan Design & Contribution Analysis
- Benchmarking
- Predictive Modeling
- International Exposure Analysis



# 8 COSTS – FEES AND/OR COMMISSION SCHEDULE

Fully-insured benefits policies typically permit the exclusions of commissions where the customer prefers compensating their consultant/broker partner with a fee. In such instances, premiums are quoted and policies are placed, net-of-commissions. **This means of compensation is fully transparent and acceptable to USI.**

However, employers must consider, due to the relative opacity of fully-insured plans' underwriting and rating process, it is difficult to discern if premiums quoted net-of-commission are actually a commensurate reduction in cost. This is especially true after several years having been renewed. Commissions may be the most economic means broker/consultant compensation.

## 8.1 Your total fees and compensation for BMD

We are pleased to propose an initial fee of \$175,000 per annum, which can be structured as either a fee-only or a fee offset by commission at BMD's discretion. This fee arrangement would remain in place until USI has successfully transitioned BMD from its fully-insured plans to an alternative funding arrangement, such as self-funding, healthcare captive, or reference-based pricing.

After successfully restructuring the funding structure for BMD's health and welfare plans, we propose a revised fee of \$225,000, with an additional \$40,000 at risk in a structured performance guaranty schema. The specifics of the service guarantee, including identifiable and measurable metrics, will be mutually agreed upon and structured between BMD and USI.

# 8 COSTS – FEES AND/OR COMMISSION SCHEDULE

## 8.2

A multi-year contract is not required. However, given the material commitment presented herein and financial commitment necessary to deliver USI's superior features and services, we feel it would benefit both BMD and USI to model a relationship based on a multi-year partnership. Such instances are admittedly symbolic, as either party is permitted within the Client Service Agreement to terminate the relationship.

## 8.3 **Your policy or practice on receiving commission or other income in connection with services provided to us and how that would be disclosed (transparency of payments)**

USI is committed to compensation transparency with all of our customers. Each plan renewal includes a list of all policies, commission rates or factors, and expected revenue for each policy place. BMD need not request this information, as it is by USI policy automatically included in its own section within our renewal proposals.

## 8.4 **Your policy on accepting contingency/override compensation from insurers relative to the placement of insurance programs**

As a licensed insurance producer, USI is authorized to confer with or advise our clients and prospective clients concerning substantive benefits, terms or conditions of insurance contracts, to sell insurance and to obtain insurance coverages for our clients. You have agreed to pay compensation to USI, for the placement of insurance, pursuant to a written agreement. We may also receive from insurers and insurance intermediaries (which may include USI affiliated companies) additional compensation (monetary and non-monetary) based in whole or in part on the insurance contract we sell, which is contingent on volume of business and/or profitability of insurance contracts we supply to them and/or other factors pursuant to agreements we may have with them relating to all or part of the business we place with those insurers or through those intermediaries. Some of these agreements with insurers and/or intermediaries include financial incentives for USI to

# 8 COSTS – FEES AND/OR COMMISSION SCHEDULE

grow its business or otherwise strengthen the distribution relationship with the insurer or intermediary. Such agreements may be in effect with one or more of the insurers with whom your insurance is placed, or with the insurance intermediary we use to place your insurance. You may obtain information about the nature and source of such compensation expected to be received by us, and, if applicable, compensation expected to be received on any alternative quotes pertinent to your placement upon your request.

It is notable that USI producers providing service to BMD are not party to, and do not directly receive any part of contingency compensation described above.

## 8.5 **Please provide a detailed cost structure of all of your services and fees. For example, do you charge for communications, wellness, technology, ERISA consulting and other services that may impact our business. When will BMD be required to pay additional fees?**

Unless otherwise specified, all USI services described herein are included within the proposed compensation. Also included in our compensation are costs of time and travel expenses associated with remote site presentations.

### **INCLUDED**

All brokerage and consulting work, including frequent and on-going meetings and presentations, on-site group presentations, travel and hotel expense, proprietary features of USI, including USI 3D, Population Health Management, regular compliance team access, underwriting and analytics work, Benefits Resource Center, media production and other communications, mobile app, benefits site, etc.

### **NOT INCLUDED IN OUR COMPENSATION**

Expenses for third-party contracts or services not otherwise noted in this proposal would be born by BMD. Examples would include: third-party print-jobs, mailing expense, insurance policy premiums, payroll services, benefits administration systems (unless separately negotiated through USI tech-credit negotiations and agreed to by both BMD and USI).

