

It's a  
simple



Question



a new way of seeing

Should our company be in a  
**private exchange?**

Private Exchange Consulting Practice

# But the answer is not so simple.

Deciding whether to move your employees and retirees to a private exchange requires considerable thought and the objective evaluation of a number of factors.

Pacific Resources can help you find the solution that's best for your company. We do not own an exchange or an exchange technology platform, but we do offer independent analysis to guide you through the new world of benefits.

# PAC

## Do you know what you don't know



No doubt the landscape of employee benefits is changing and becoming more complex. The passage of the Affordable Care Act has created a whole new environment for employer-sponsored benefit plans. Companies need to comply with the new law's ever-changing rules and regulations, while also managing benefit plan expenses and maintaining highly valued benefits.

One of the strategies being promoted to employers is a private exchange. These exchanges are being developed – and marketed to employers – by consulting firms, carriers, brokers and benefit administrators.

**Large employers are uncertain about private exchanges as a viable alternative to current methods of providing health coverage. 51% report being at least somewhat confident and 49% say they are not confident or are unsure.**

While there is still a lot of uncertainty about exchanges, one thing we are absolutely certain about is that every exchange – and every company – is different. The idea of moving to an exchange requires thorough evaluation, not just of the exchanges themselves but also of how they fit with your overall benefits strategy.

As part of our Private Exchange Consulting Practice, we help you understand the opportunities and challenges of this new exchange marketplace. We evaluate your current approach to providing benefits and suggest options to help you meet your objectives.

# Why are employers thinking about moving to an exchange?

According to our survey of large employers, the top three reasons to move to an exchange are:

- **Cost savings opportunity (85%)**
- **Giving employees more choice (66%)**
- **Minimal network disruption (37%)**

In addition, our survey revealed that 87% of large employers view benefits as a means of attracting, recruiting and retaining employees or as an integral part of their overall employee engagement and productivity strategy.

So, while employers want to save money, they also believe that benefits are an integral part of their Total Rewards Talent Strategy.

This information drives our Private Exchange Consulting Practice. We take employers through a phased approach that includes:

- **Determining if employers can contain medical cost inflation**
- **Evaluating and matching exchanges with employer goals and administrative needs**
- **Assisting in the implementation of an exchange**
- **Ongoing services, such as negotiating contracts and managing vendors**

**87%**  
of employers  
view benefits  
as a strategic  
asset

What should  
you

# think about

Be sure to ask the right questions about all aspects of your benefits strategy.

**Developing a comprehensive benefits strategy is an important step in deciding if an exchange is appropriate**

**If you're thinking about moving to a private exchange, you need to ask a lot of questions about:**

- **Benefits and rewards strategy**
- **Plan designs**
- **Network access and provider disruption**
- **Funding, plan costs, pricing and contribution strategy**
- **Quality assurance**
- **Wellness programs**
- **Customer service**
- **Administrative platform**
- **Fees**
- **Change management and communication**
- **Compliance**
- **Vendor management**
- **Other benefits**

# How do you get the **right answer?**

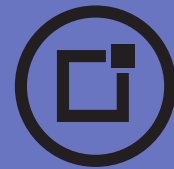


## Private Exchange Consulting Practice

Most employers who are in the initial stages of evaluating exchanges are first interested in modeling the overall financial impact and understanding the non-financial impact to their company, without doing a full-scale RFP that accompanies a normal vendor search.

However, we know that companies are at all stages of evaluating their benefits. That's why we take a phased approach to our Private Exchange Consulting Practice. When taken together, the phases cover the entire lifecycle of migrating to an exchange. But you don't have to go through the phases in order.

No matter where you are in the exchange conversation – whether you are looking for the first time or if you've already moved to an exchange – we offer objective guidance to help make sure you get what you need.



### Private Exchange Feasibility Analysis

We partner with Milliman in Phase I to evaluate the economic opportunities and feasibility of moving to an exchange.



### Exchange Sourcing

Our main goal in Phase II is to help you choose the most appropriate vendor(s) to meet your benefits strategy. We emphasize matching results with your established objectives.



### Implementation

Phase III includes overseeing the project and facilitating the implementation of the exchange services. We also provide onsite testing of implementation parameters.



### Ongoing Service

Phase IV includes monitoring of the vendor's services against performance guarantees, reporting review and assistance with annual renewal.

## Expert resources and project tools

Pacific Resources' Private Exchange Consulting Practice is supported by a rich set of best practices developed by Milliman, a leading independent healthcare actuarial services firm. For over 30 years, Milliman has gathered industry-standard benchmarks and comprehensively sourced data, enabling them to create the industry's most reliable benchmarks.



# seeing

## a new way of seeing

the exchange marketplace,  
by looking at

...your benefits and rewards strategy

...your organization's culture

...your goals in attracting and retaining  
talented people

## About Milliman

Milliman is among the world's largest providers of actuarial and related products and services. Founded in 1947, Milliman is an independent firm with offices in major cities around the globe. The firm has consulting practices in health care, property & casualty insurance, life insurance and financial services, and employee benefits.

[us.milliman.com](http://us.milliman.com)

## About Pacific Resources

Pacific Resources, a part of the Brown & Brown family of insurance brokerage and related services companies, is a leading independent employee benefits advisory firm that works with Fortune-ranked and other large companies. For over three decades, Pacific Resources' evidence-based insights have shaped innovative employee benefit solutions, helping companies get the most value from their benefit plans, and positively impacting the lives of millions of employees.

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