

Converting YOUR Health Insurance Plan Expense Into an Asset

A Holistic Approach to Health Benefits

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**Presented by: Mark Gaunya
Tom Murphy
Dean Sidell
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Borislow
INSURANCE

CaptiVated Health™
the greatest wealth is health

**Creating Solutions.
Delivering Outcomes.
Exceeding Expectations.**



Panel Participants



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A Little About
Borislow Insurance & Captivated Health



Passionate about making healthcare easier and more affordable

BroadStreet
Partners

\$2b in revenue
9,000 employees
30 Core Partners

Borislow
INSURANCE

**Strategic
Benefits Advisor**

Stand-alone Clients

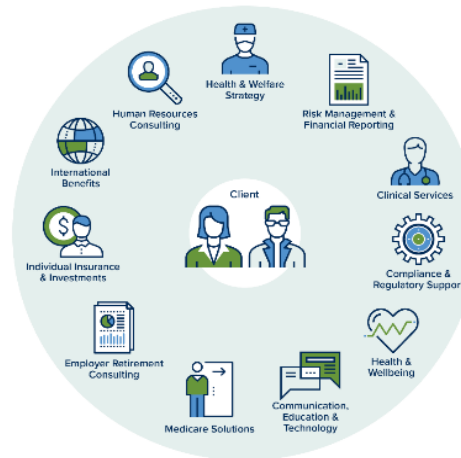
Brokerage

Captivated Health[®]
the greatest wealth is health

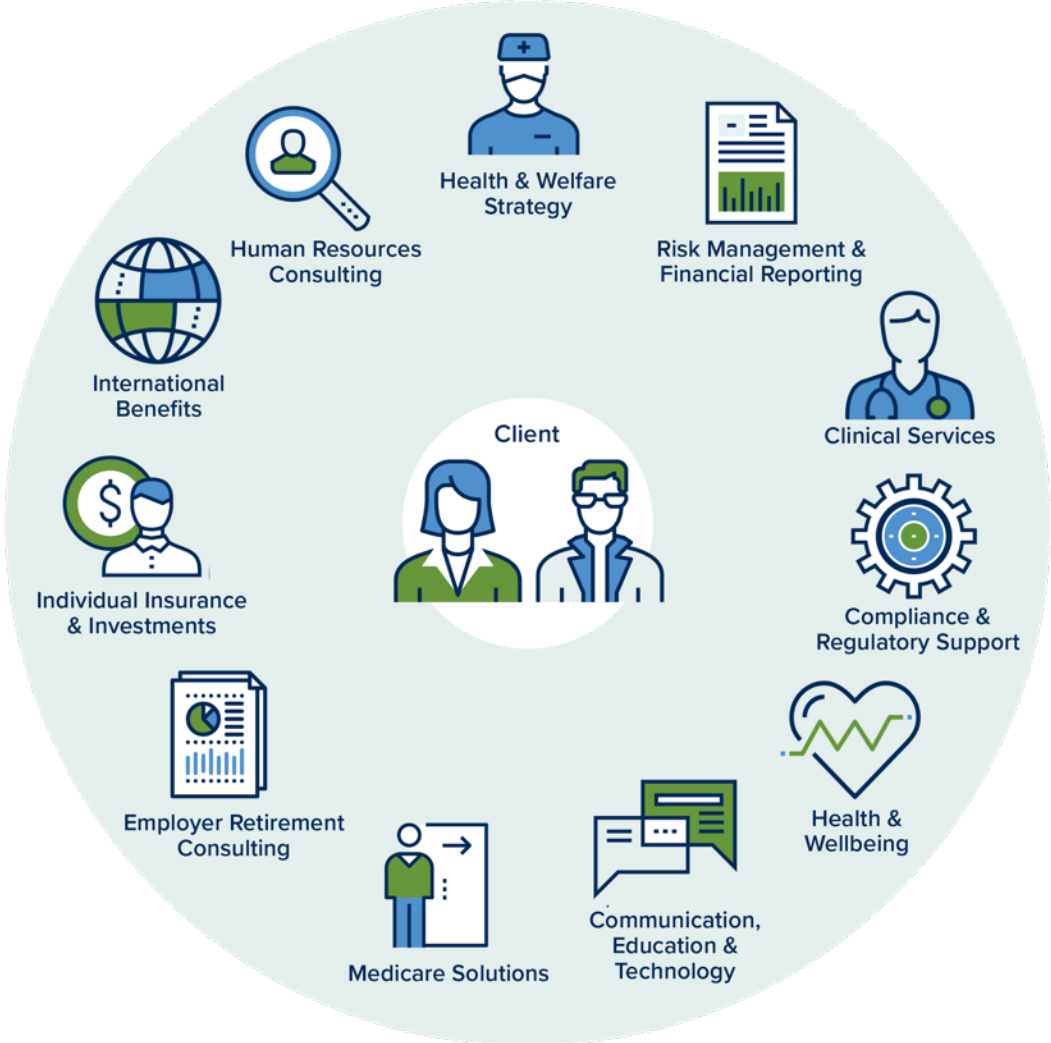
**Inclusive & Exclusive
Community**

Group Purchasing

Community Manager



Best In Class Strategic Consulting & Benefit Superheros



Thinking About SCHOOLS Thinking – Desired Future & DOS

DANGERS ELIMINATED

- *Mental health crisis*
- Compensation & **inflation**
- Enrollment cost **sustainability**
- National shortage of faculty
- **Unpredictable large health insurance increases**
- Above benchmark premium contributions
- Limited exposure to innovative and creative solutions
- **Reactive vs proactive** thinking. No long-term strategic plan

OPPORTUNITIES SEIZED

- Benefits **budget sustainability**
- Educated employees
- Benefits **package design that retains and attracts** top talent
- Creativity of benefits offering to help make you employer of choice
- 100% of faculty/staff engaged in health& wellbeing program
- Offer **Health Savings Accounts**
- Offer **financial incentives** to make informed healthcare decisions

STRENGTHS MAXIMIZED

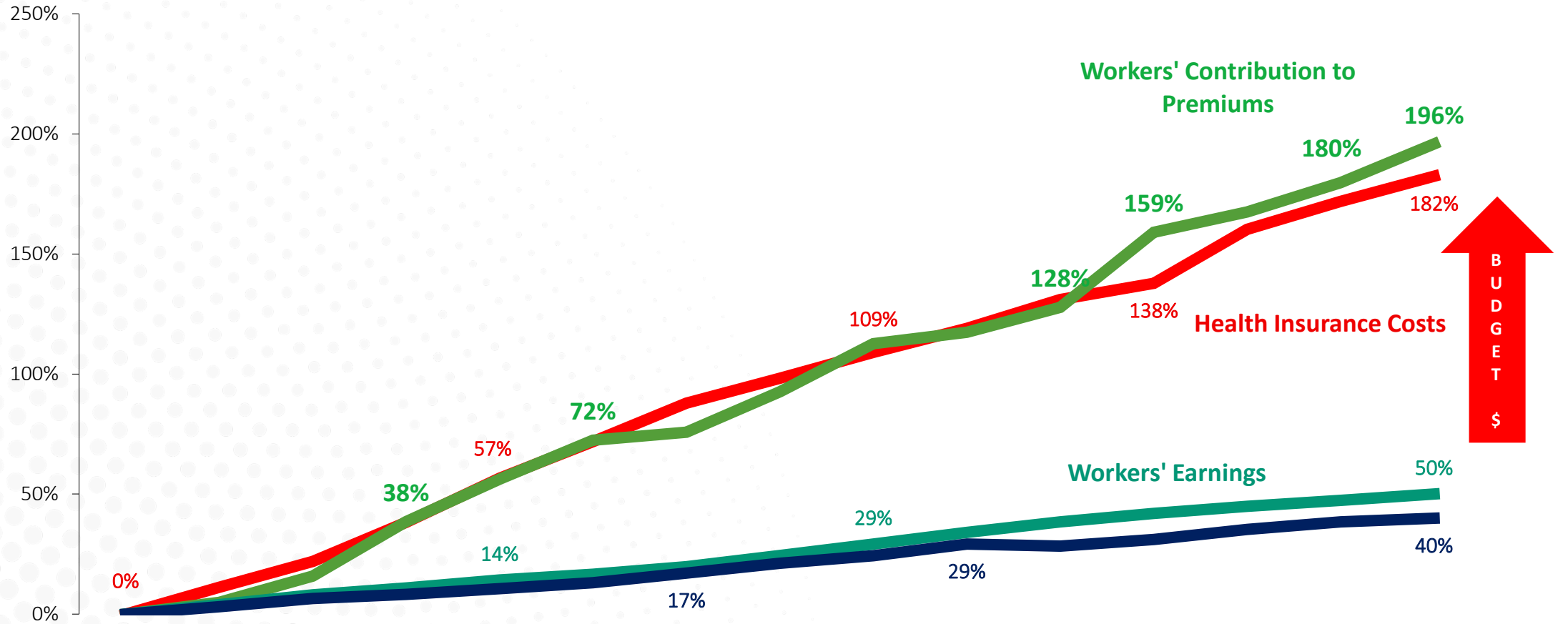
- School **culture and mission**
- Maintain benefits program **quality**
- Maintain commitment to **faculty/staff health & wellbeing**
- Willingness to creatively solve challenges
- School reputation



The Healthcare Cost Challenge



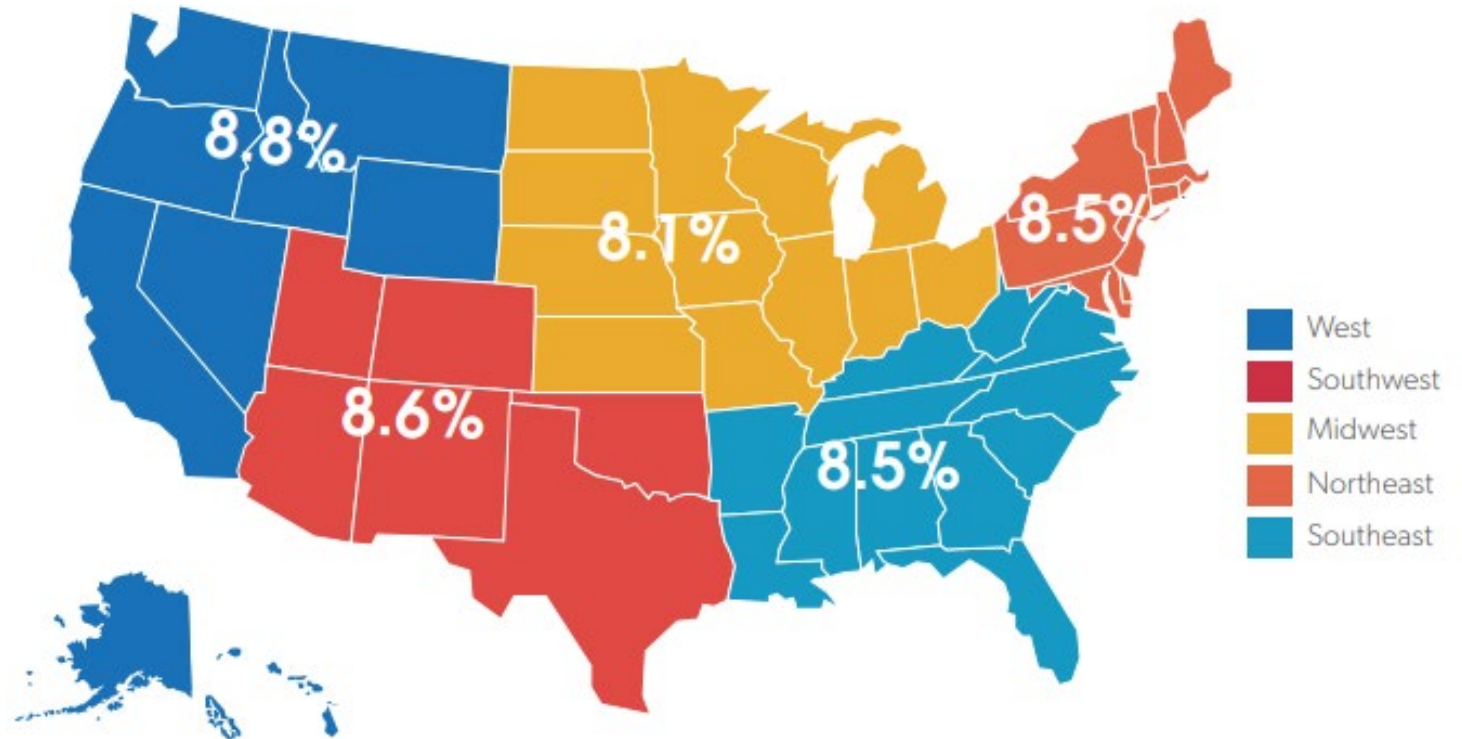
An Unsustainable Path



Trends by Region

- Per survey responses from a wide-range of health plans
- Blended Medical and Rx
- 2022 Survey: Nationwide average trend was 7.7%
 - Increase of 1% for 2023

National Medical Projections



Impact on Schools, Faculty & Staff

Opportunity to Change the Game





Mary
The CFO

Amy

The Human Resources
Professional



Traditional Model

- **Employee Benefits:**
 - Purchasing on own
 - *30% of payroll*
 - *Health drives 80%*
 - *Trend 10% +*
 - Limited financing options
 - No control of plan choices
 - Little reporting & analytics
- **Traditional Solutions:**
 - Change carriers
 - Change plan design
 - Change contributions

- **Limited Help**
 - *Little control* or leverage
 - *Little actionable* info
 - Received a “less bad renewal”



CURRENT STATE <

- ✗ Low **healthcare literacy** and confused about what's available
- ✗ **No Primary Care** doctor relationship for immediate help
- ✗ **No access to quality or price** information to make choices
- ✗ Turns to friends or "Dr. Google"
- ✗ **Spends more than he should** and gets less than he deserves
- ✗ **Frustrated** with the experience and perception of value

Joe



Employee

> A BRIGHTER FUTURE

- ✓ Health Savings Account to **engage and reward** Joe for good choices
- ✓ 24/7/365 Concierge
- ✓ Concierge **Smart phone app**
- ✓ **Access to quality and price** info
- ✓ **Improved healthcare literacy**
- ✓ **Spends less**, gets more and saves for future medical expenses
- ✓ Joe feels like he's **in control**

How can Mary and Amy create a NEW
healthcare future?



Success formula for creating a NEW healthcare future



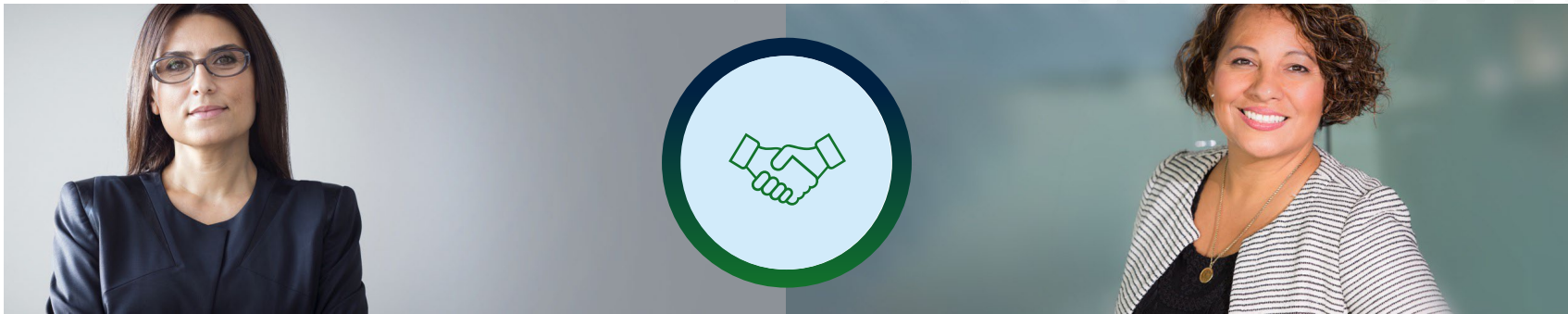
Take Control and Get Data



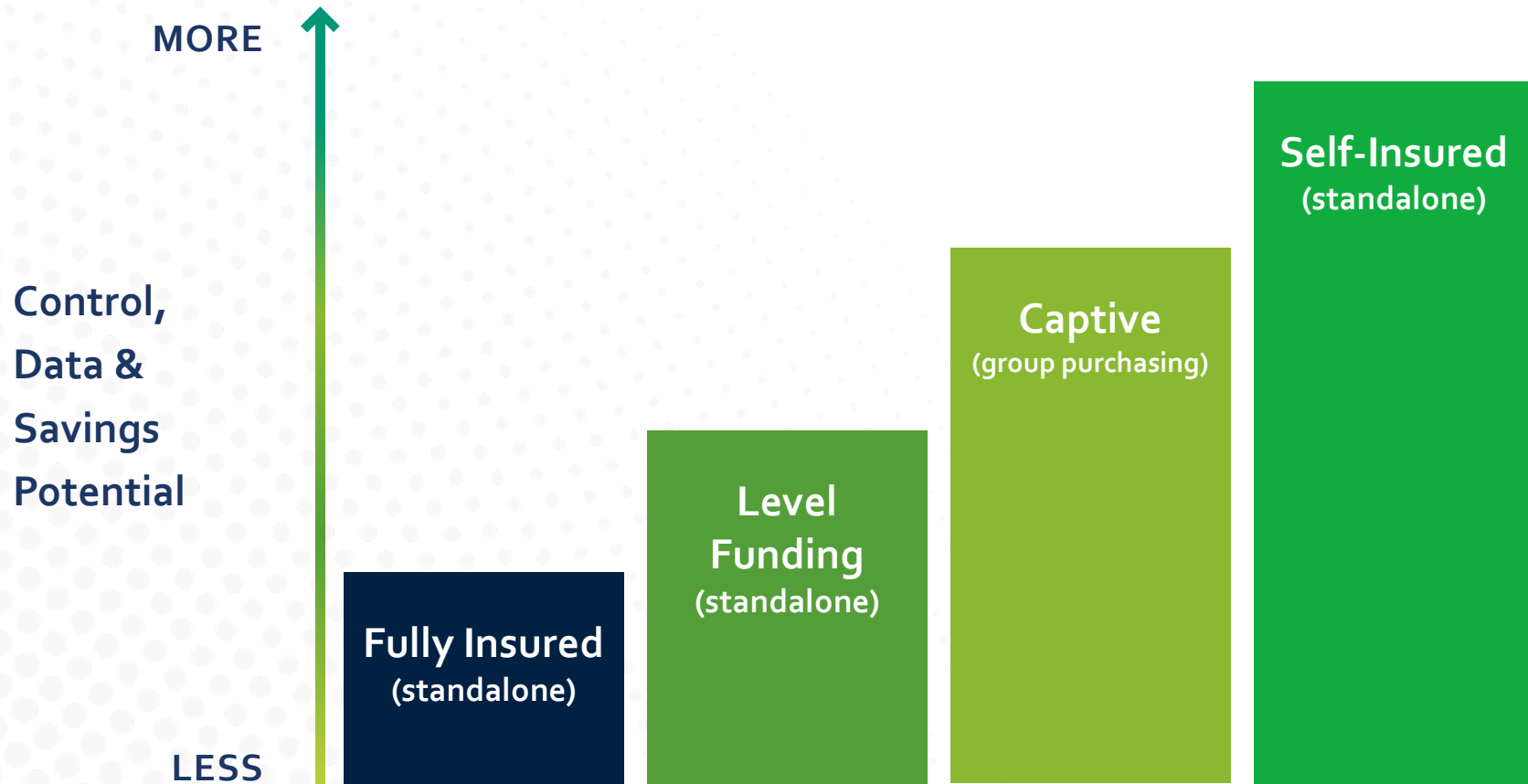
Collaborate with other like-minded schools/ scale



Create a better healthcare experience for faculty & staff



Change your financing to change your future



Not all plan financing options are appropriate for all organizations.

Understand & analyze the options and select the best solution(s) for your organization's unique needs.

Captives Value Formula

CASH FLOW

CONTROL

HEALTHCARE
LITERACY

ACTIONABLE
DATA

Captives at-a-Glance

- Allow unrelated organizations to individually and collectively self-insure risk. Governed by ERISA.
- Homogenous or Heterogeneous
- Mitigates volatility of large claims
- Reduces taxes and carrier profit



Mary
The CFO



Amy

The Human Resources
Professional



Engaged Model

Employee Benefits:

- 30% of payroll
- Health drives 80%
- **Lower trend**
- **Captive financing (group purchase)**
- **Full control of plan choices**
- **Actionable data analytics**

Customized Solutions:

- Tailored programs
- Culture of health & wellbeing
- Education & incentives
- Enhance benefits over time

Collaborative Community

- Full control
- “Community” **leverage**
- Insight & **actionable info**
- Gains competitive edge
- **Creates margin...**
- **By taking better care of Joe**

The Captivated Health Story



Captivated Health
the greatest wealth is health

TILTON
SCHOOL



PROCTOR

Pingree
SCHOOL



ERSKINE
ACADEMY



CHEVERUS High School



NEW
HAMPTON
SCHOOL



HOLDERNESS

FOX CROFT
ACADEMY



TOWER

Established in 2014



Captivated Health in the News

Outstanding Achievements Over 10 Years

Healthcare Claims Trend: *4% - 5% claims trend vs. 8.5% in most markets.*

PBM Optimization: *Reduced pharmacy spend by approximately \$20-\$25 per member per month, making prescription drugs more affordable and accessible.*

Captive Surplus: *Returned over \$10 million, lowering stop loss premiums.*

Healthcare Reserves: *Accumulated over \$40 million on balance sheets, collectively.*

Stop Loss Premium: *Averaged a modest 12.2%, well below the industry norm of 15-20%.*

Community Loss Ratio: *Achieved an outstanding 94%, 6% below expectations.*

Member Retention: *95% persistency rate over ten years*

Members First

Consumerism

Health & Wellbeing

Governance



Holistic Approach to Health Benefits

Leveraging Data-Driven Strategies for Enhanced Employee Wellbeing



An Innovative Model:

Learn how group purchasing through a captive self-funded model offers greater control, flexibility, and customization of your health benefits.

Real-world Success Stories:

See the impact Captivated Health is having on schools like Harpeth Hall and Phillips Academy Exeter and how they are improving employee health and better managing their healthcare costs.

Strategic Value for Schools:

Read highlights on managing rising healthcare costs, providing specific employee support (like mental health), and enhance your overall school culture and employee satisfaction.

**Note that this article originally appeared in the January/February Issue of NBOA's Net Assets magazine. Our article "A Holistic Approach to Health Benefits" begins on page 28. Reach out to us and we'll share the link and start the conversation!*



Panel Discussion



Exploring Captives



The Captive Report Card

Essential Elements of the Captive Model:

- ✓ Years in Operation
- ✓ Homogenous or Heterogenous Risk
- ✓ Stop Loss Partner
- ✓ No New Laser Rate Cap Provision
- ✓ Stop Loss Contract Provisions
- ✓ Stop Loss Performance
- ✓ TPA and Network Partner(s)
- ✓ PBM Partner(s)
- ✓ Clinical Navigation Partner
- ✓ Point Solution Partners
- ✓ Governance
- ✓ Transparency of Fees and Expenses
- ✓ Data Analytics Capabilities



Curious About a Captive? Make Sure It Gets An A+!

The goal of the captive has always been to create a financial arrangement that allows schools to join together, take advantage of the self-funded health plan model, and reduce as much of the volatility and inefficiency that comes with buying stop loss from the open market as possible.

The Grades Are In. Make sure your Captive is a smart choice.

Grading Scale

- A = Excellent
- B = Proficient
- C = Developing
- D = Unsatisfactory
- F = Failing

| | Captivated Health | Newly Formed Captives | Why it Matters |
|--------------------------------|--|---|--|
| Years of Experience | A+ 10+ year track record with stability, credibility, experience, and proven results. | D Newly formed captives are likely to make choices that result in higher volatility. | A Captive's ability to spread risk across membership and experience allows for a credible program and increased success at reducing volatility. |
| Industry Specialization | A+ Captivated Health was designed specifically for schools. Our expertise yields stability. | D If not designed specifically for schools, the result is less specificity and more uncertainty in direction. | Industry specialization allows for preferred customization, cultural alignment, and a wealth of school-specific expertise to support clients and their faculty/staff. |
| Underwriting Partner | A+ Berkeley, our exclusive partner, is recognized as a leader and top choice for captive program partnerships. | D Unknown | Strong partnerships lead to better outcomes. Berkeley's top financial rating and their 10+ year history of claim payment integrity positions schools with reimbursement confidence and security. |
| No New Laser Rate Cap | A+ No New Laser Rate Cap Endorsement (NNLRC) on reinsurance in place at a | F Unknown | Rate caps provide comprehensive protection, stability, and predictability against unknown catastrophic exposures. |

12 Attributes of a Successful Captive Program

- 1** Sense of community and ownership  
- 2** Member engagement and collaboration  
- 3** Independent TPA with unbundling capabilities  
- 4** Independent and/or transparent PBM  
- 5** Carve-out special solutions  
- 6** Leverage scale and size with vendor solutions  
- 7** Reference Based Pricing (RBP) or Value Based Pricing (VBP) for some or all of plan  
- 8** Direct, narrow, or Centers of Excellence (COE) network  
- 9** Patient advocacy or care coordination  
- 10** Strong connection to Risk Management  
- 11** Full agency commitment with dedicated program resources  
- 12** Constant evolution and re-evaluation of strategy  



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Questions and Answers

THANK YOU!

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