

## COVID-19 Pooling Questions with Sherri Bockhorst, from CEO-level QEI Patron Businessolver

[https://youtu.be/ubJbWki\\_dgc](https://youtu.be/ubJbWki_dgc)

Ann Gergen ([00:13](#)):

Well, why don't we talk a little bit about Businessolver. I was joking as we got on the call that I just got the e-news, Businessolver e-news come through this morning. So that was really well timed. Can you talk a little bit about what you're seeing? I mean, you've got, you know, coverage across all industries against or across all different kinds of clients. You've got all sorts of different, um, benefits, services and administration going on, you know, what are you seeing across all of the Businessolver universe that you think might be interesting for pools to know?

Sherri Bockhorst ([00:43](#)):

Yeah, so, you know, I think what we've, what we've been seeing specific to COVID is, you know, initially I think a lot of employers were looking at this with a really optimistic, optimistic lens. And so we saw a lot more furloughs than we did actual terminations. And you can see that in our data and now over time, because it hasn't rebounded as quickly as most had hoped initially, we're starting to see those furloughs turn into terminations. Um, and so one of the things that we've been working really diligently on with our clients is how to create that softest landing place for an employee. Cause what it's really highlighted, not that we didn't all know this anyway, but what this situation has really highlighted is that dependency on health insurance with the employer and when you lose your employment and you lose your health insurance, particularly in the midst of a pandemic, the last thing that you want to do is go without health insurance. And so that tie between the two has really been highlighted, which is why in that article that was just released today. I think it'll be really interesting to see. We already had clients that were looking at how do you leverage the new individual coverage HRA rules to be able to provide people with money and then let them go shop for their own individual coverage. But that way that coverage can stay with them through any sort of up and down and it's no longer tied to the employer. So I think that's what will be interesting cause that's what the, you know, again with all the furloughs and then leading to terminations what it's really highlighted is that dependency. And again, in a pandemic that's about the worst position you could be in is you've now lost employment and you've lost your health insurance.

Ann Gergen ([02:26](#)):

So you were sort of seeing that trend before, right? The individual coverage HRA trend and now you see it maybe elevated or highlighted a little bit. Like what, what do you think that looks like? Is that a three year transition? Is it a 10 year transition? You know, do you think that's the, we're going to end up,

Sherri Bockhorst ([02:44](#)):

I'd always said yeah. I had always said from the time it was passed it would take about a decade. So I, I liken it to, can look at a couple of different scenarios in the benefits world. So when you look at when the 401k regulations were first passed and let's see, was that it would soften that pension plans, but over time 401k really ended up replacing pension plans in a lot of situations. And then you can look at the same thing with retiree medical. A lot of organizations that offered retiree medical from a group basis converted that over to provide a defined contribution and allow that retiree to shop for individual Medicare coverage. And in each of those trends, every time one of those trends happens, it moves through the system at a more rapid pace than the trend before it. So I, you know, I had said about a decade for, for, you know, sort of more massive adoption. Um, I don't know. I think it, it could happen faster. What's interesting, you know, last summer when we, we started to launch a solution to be able to support the individual coverage HRA strategy. But last summer where we thought it would get most highly adopted the fastest was for a part time benefit ineligible population because we had such a tight labor market, strong economy, and our clients were having a hard time capturing that part-time workforce and having some sort of stability in that part time workforce. So we really thought using the individual coverage HRA to give us a stipend. So what would have been a benefit ineligible population, um, would really be a benefit for attraction retention of a part time workforce. You know, now fast forward the world has changed dramatically and now it's more of a, you know, how do you mitigate the risk on the group plan? How do you provide protection so somebody can keep the insurance plan that they have at the same cost post-employment. So the sort of the why of why employers are looking at it has changed dramatically in the last six months. But um, I think it'll, it'll speed the sort of the adoption of the individual coverage HRA methodology.

Ann Gergen ([04:59](#)):

Yeah, that's a really, um, interesting sort of side result or secondary result that maybe we're not thinking enough about how that impact might, might pull through. What about, what about public entity pools specifically in the work that

they're doing with public entities? Do you see any sort of acceleration or changes or things that are happening different in the public entity space than in your other clients?

Sherri Bockhorst ([05:23](#)):

Yeah, I think what's interesting too, when you look at, again, specifics like COVID and what's been happening from a, just from a claims perspective, you've got two primary impacts. The claims one is an increase in claims or COVID testing complications as a result of COVID, but actually the bigger bucket of claims that it looks like will have an impact on, um, on the plans is the deferral of services. I oftentimes use my mom as an example. So my mom was scheduled to get hip replacement surgery in March. Um, and she obviously didn't have it. And in working with her provider, they're saying it'll be, you know, 12 to 18 months before they can get her scheduled back in. And so now she's like, well, where do I go? Can I go somewhere else sooner? Um, she's in a tremendous amount of pain, right? She was sort of emotionally prepared for the surgery as well. And, um, but so, so that's, you know, when we look at our employer base where they've got employees sort of scattered across the country, it's harder to help support that type of, um, rescheduling of services. But for the public entities where most of their employees are in a centrally located from a geographical perspective, um, that's where we see the public entities starting to really step in and say how do we help get cost and quality information in the hands of our participants and really better handhold them through those rescheduling process, which does two things. They from a just an empathetic perspective to be able to support those employees. Obviously that's super helpful to them. The other thing from a plan cross perspective, most of those deferred services will probably start coming through more so in 2021 as providers start to work those individuals back in. And so you know, when you're trying to do claims projections for 2021 plan years and how does that, how will that impact the more of those services that you can ensure get into not just in network facilities or providers, but high quality, lower cost providers that are also in network. You could have a pretty significant impact on your overall claims expenditure too.

Ann Gergen ([07:36](#)):

Yeah. So that's pretty interesting because that's a real sort of value add that many of the pools provide their public entity members, right? Is the assistance with um, that administrative adage. And so one question that we've heard is the pools are, you know, trying to project and look at when that biggest deferred care bubble right comes back, when does it really, is it six months is it twelve months? When does that same volume of claims and cost of claims come back? And

what you're describing suggests maybe that the pools are gonna see that bubble hit sooner than across the industry as a whole because they're going to be helping with rescheduling. They're going to be helping with making sure their members get that care. Um, more, more quickly, uh, in the deferral timeframe. Is that fair?

Sherri Bockhorst ([08:23](#)):

Well, and part of it's about speed. The other part though is about really directing care to high quality, lower cost facilities. Because what you don't want to have happen is have somebody like my mom who had deferred care and now she's sort of anxious to get it. You don't want to have her reschedule at a lower quality, higher cost facility or even worse than an out of network facility that costs everybody more money in the process. So I think it's partially about the speed and supporting participants to, to get those rescheduled more timely. But I think it's also a lot about the cost and the quality of care.

Ann Gergen ([09:02](#)):

Yeah, that's a, that's a really, really great consideration. Thank you. Um, what about Businessolver itself? What, you know, I mean you're seeing, again, all of these issues and trends, whether it's the introduction of the, um, the individual coverage, whether it's that deferred care bubble and you know, when your mom was going to get her surgery or whatever it is. So as you're looking at that entire spectrum, what kinds of services are you seeing most needed and what kinds of things are you doing differently with an eye towards helping those clients?

Sherri Bockhorst ([09:36](#)):

Yeah. Yeah. So I, you know, there's an, I'll be honest, I think I've heard the word pivot more times in the last four months, three months than I've heard my entire career. As it relates to our product roadmap. We've always considered ourselves to be really agile from a technology perspective. But this is a, this has tested our limits, I'll say that, but we're really trying to ensure that we're getting and a lot of different things, right? Making sure that we get the right data and so organizations hands to help them plan, getting the right support to the members so that they know, um, what actions to take and um, and then actually creating new solutions to help with that softer landing for those who might be displaced from an employment perspective. So if we break those down on the, on the data side, we launched, um, it's, if you go to [businessolver.com/polls](https://businessolver.com/polls), but what it is is we're, we're tracking across our clients what the whole whole client based

impact is so that you can see the trends on, you know, and sadly it's a lot of active employment going down across our client base, furloughs or leaves of absence going up. And then I think what we'll start to see unfortunately is what we were talking about where the furloughs will start to transition to terminations. But we're tracking all that data in aggregate just to help clients continue to keep a pulse on what's happening within their industry, what's happening, you know, across the country. It's got data in there about um, what's happening from a geography perspective at a really detailed level. So it's helpful to see, you know, within your community, you know, do you tend to be in a community that's being hit harder than others? So there's a lot of really good data that employers can leverage just to help them think through from a business planning perspective what might be happening in their community or what are within their segment. Um, so that's on the data side. From a participant perspective, we've seen some really interesting statistics. So we, we have, Sophia is our um, artificial intelligent virtual assistant. We've always had pretty good use of, of Sophia anyway, but from this time last year to now, we've seen a 62% increase in Sophia chats. So people are definitely looking for information real time. Um, they're getting more comfortable with that technology. She answers a lot of questions about COVID, what symptoms to to um, look for, you know, she's pulling data from CDC to be able to help support those conversations with members. We're also seeing night and weekend chats have gone up 223%. So I would have thought, honestly, I would have completely mis-projected this. I'm an actuary by background and so this one really threw me off. I had figured with more people working remotely that the requirements to have those conversations at night and weekends would actually go down because you could multitask better. You're not in the office, you're sitting at home. But that hasn't come to fruition at all. A lot of that increase has been in the night and weekend chats. The other thing that changed is, um, log-ins from a mobile device. So a lot of people who are using their laptop, so we saw logins from a mobile device into our system go up 217%. So it really shows people are, are using their handheld device a lot more from a interaction perspective regarding their benefits and their care. So that's, I think that's been really interesting. So, so part of what we've really been doing is a lot of up-training of Sophia to be able to support a broader set of questions around, um, care conditions, COVID, et cetera. So part of, one of the things that we're working on right now as it relates to the conversation that we just had about helping people find quality of care is embedding a tool within our system that can actually help people get there faster as well. So we're looking at that as a, is that a future product enhancement? Um, and then that third category from, uh, helping people, um, who have been transitioned out of their employer sponsored plan, COBRA is super expensive, you know, COBRA's only available for 18 months. Um, it might not be the best plan for you. Um, you know, COBRA requires that your family is all in the same plan. You know, if I

look at myself and my husband, our health circumstances are totally different. But in the employer sponsored world, we end up in the same plan because that's how, how the plans work and the individual market, you can actually customize your plan based upon your family members. So I can be in a different name than my husband, which is a, is a benefit. So we had already launched, we call it "My Choice Market." We had already launched "My Choice Market" to be able to support off-boarded populations from our employers. We've seen a massive uptake of people leveraging "My Choice Market" because they're not going from terminating from one job to go to another job. They're getting terminated and then it's an economic downturn. So we're seeing, you know, in the first 10 days of May, we saw more people participate in "My Choice Market" than we saw in any whole month ever in the past. So there's definitely an uptick in that. Um, one of the things as we started to look at the data, not just for our own clients that I mentioned that we're tracking, but when you look at what's happening just globally, um, with layoffs and terminations and the impact on people, we felt really passionate about being able to help people, not just within our client base. So we actually, um, as of earlier this week, just two days ago on Tuesday, it's been a long week. Um, but we, we took "My Choice Market" direct to consumer too. So it's our first for Businessolvers and organization. It's our first foray into a direct to consumer environment. Um, we only, we didn't launch it broadly. There's no big marketing campaign or commercials or anything like that. We're really just leveraging social network channels. We've had, you know, even my, my neighbor the other day, you know, a lot of people are impacted. Um, and so it, it was good for us to be able to do that. We were able to offer these services more broadly and um, we're already seeing significant uptake just through social channels from our own Businessolver employees letting people know that this exists to help them. So that's, I mean that was a mouthful, right? But we've done a lot. That's why I think, um, you know, I had expected I'd have all this free time now that I was at home and I've been working more than I ever have I think. But it's all with good conscious to be able to help people through these tough times.

Ann Gergen ([16:31](#)):

Yeah. So it's so intriguing to hear the issues that you're raising and the um, conversations that you're having, the solutions that you're bringing. Like I'm hearing it in two really different layers, right? One is sort of the COVID related response and needs. And so you're talking about the claims and that's affirmative care and even Cobra and continuation of benefits and how it looks different right now because of furloughs and terminations that are happening. But then you've got this whole other element that you've done a great job of raising that is about, you know, what is it that's

happening now in this COVID 19 response that's going to accelerate or elevate or change things that were happening anyway but just aren't going to go back. Right. So the individual care currently is one of those, um, your description of Sophia and the tech reliance, you know when we've heard that in tele-health too, that the utilization of telehealth was so different. So this is the catalyst for getting people used to those things. Do you think it will ever go back to what it was or is this just the new...

Sherri Bockhorst ([17:37](#)):

I think this will be the new norm. I think it was the impetus to get people to use these tools and then be like, Oh tell, I think telehealth is a great example, right? It's one of those places where people go, I have to, I have to see my doctor. He has to physically see me and you know, now they, that they didn't have that opportunity. They use telemedicine. I've even had, I've had a friend say, cause they'll call me, you know, everybody calls me for advice to be like, what do I do? I can't go to my doctor. I'm like check with your employer, see if you have telemedicine. I did and I used it. It was great. I'm never going to go back to the doctor's office. Yeah. I think it's really going to change how we interact both from a, you know, a health perspective and just an overall engagement perspective going forward.

Ann Gergen ([18:23](#)):

So, cool. Sherri, is there anything else like that we haven't talked about or that you think would be useful to share with pools?

Sherri Bockhorst ([18:31](#)):

You know, probably the only other thing that I want to point out because this was even just thinking about this brief time we had together and all the complexity of what we talked through regarding care and rescheduling services and it grows and there's so much happening and the pace of that change and the impact to the individual is so significant. What I can't stress enough is to communicate. I'm sure you already know that, but the more that you can help people, the more that you can help them understand what they're facing, what options are available to them, what tools and resources are available to them. That's the one thing I can't stress enough is communicate, communicate, communicate. People are so confused and they're dealing with, you know, like I am here at home. I have an eight year old that was sent home from school. So you know, I'm now balancing work and being a homeschool parent and all sorts of things, right.

That we've never had to balance before. And so the more that you can help people understand those resources available to them and communicate to them, um, the better off.

Ann Gergen ([19:35](#)):

Yeah, that's a good reminder. Um, so eight must be about third grade ish.

Sherri Bockhorst ([19:41](#)):

Yeah. Yeah.

Ann Gergen ([19:42](#)):

So that's a really hard math year. Your actuarial background probably comes in handy.

Sherri Bockhorst ([19:47](#)):

I'm loving it. So it's funny because I talked to his teacher the other day and I'm like, so I just couldn't stand it. I started him on algebra and she's like, you did what? My husband's doing all the social studies and, um, you know, that type of work. And I'm like, I've taken over the math and I think I've got him accelerated in math now. I quite enjoyed it, to be honest.

Ann Gergen ([20:12](#)):

Yeah. For fun. That's sometime that, uh, it's, uh, it's a, a good reframing of an otherwise difficult situation. Right.

Sherri Bockhorst ([20:19](#)):

Yeah. Yeah.

Ann Gergen ([20:21](#)):

Well, thank you again so much for taking the time today. Really great information and we just appreciate that you're willing to share.

Sherri Bockhorst ([20:29](#)):



Yeah. Thank you for including us. We appreciate it.