



BENEFITS INSIDER

CASE STUDY

CHALLENGE

The client has operated a self-funded health plan for over a decade and had experienced large stop loss increases and several large lasers over a multi-year period. Over time, the client's total health plan costs had increased significantly. Offering top notch benefits was of paramount importance to the client, but rising costs were threatening the stability of the offering and keeping employee costs neutral.

SOLUTION

After becoming a Hotchkiss client, the group joined an exclusive risk pooling group arranged by Hotchkiss to purchase stop-loss insurance at scale. This allowed the client to share risk with other companies and obtain stronger contract provisions, lower premiums and multi-year rate guarantees. Additionally, they removed two lasers which totaled \$400,000 in annual expense reduction.

The client implemented Hotchkiss' healthcare purchasing model to reduce the costs of common and costly procedures such as MRI, CT Scans, colonoscopies, certain surgeries and even high-cost medications. Through this program the client has saved several hundred thousands per year on average for these items and has been able to waive deductibles and copays of members, delivering free healthcare to their members!

IMPACT

This company has saved an estimated \$1 million over three years and net medical costs are approximately 9% below cost three years ago.

Benefits have been enhanced, which was a strategic initiative for the group. Members have access to expensive healthcare options such as imaging and surgery with no copays or deductibles, which has become a popular benefit especially as the cost of healthcare and other items in our economy have risen due to inflation.

Additionally, due to multi-year guarantees, the group has been able to add financial stability and has the ability to better forecast costs.

COMPANY PROFILE



INDUSTRY:
Utilities



COMPANY SIZE:
125 Employees



CHALLENGE:
Rising cost of medical claims, increasing stop loss costs, little control over pharmacy spend



BENEFIT PROGRAMS:
Benefits Insider Health Program, Pharmacy Benefits Carve-Out, Direct Contracts, Data Analytics

\$1.1M

Cost Savings over 3 Years

Rx

62% reduction in RX costs by cutting waste in supply chain

\$331k

Claims cost reduction from direct contracted providers. Members cost-share waived!