Innovative
BENEFIT PLANNING

HOW TRANSITIONING TO AN EMPLOYERS SPONSORED HEALTH PLAN SAVED $2.3 MILLION IN PAID CLAIMS

CLIENT FACTS

Non-Profit
Self-Funded
Health and Social Services
1,500 of Employees

CHALLENGES

1. A non-profit client with a very important mission for the community it serves were facing state regulation changes which would negatively impact their revenue streams.
2. The client was tired of the inconsistency of fully insured renewals, which felt like a roller coaster year to year.
3. The client was frustrated at not having any control over claims, the high fees of cost containment vendors and carriers receiving excessive profit on premiums and keeping all of the prescription drug rebates.

SOLUTIONS

1. Innovative reviewed self-funding as a viable platform and addressed their concerns, including overall risk to their plan and company, cash flow due to the ebbs and flows of claims payment activity and large claimants with serious medical conditions and administration.
2. Through Innovative's stop-loss RFP and TPA marketing the client was provided an option where their total maximum cost (claims and fixed costs) was 5.5% lower than their fully-insured renewal.
3. A strategic employee communication campaign was implemented to ensure a seamless transition since this was the first time they were utilizing a Third Party Administrator (TPA) that was not one of the four largest carriers in the U.S.

RESULTS

- Utilized a TPA with focus on stringent claims review, **resulting in $2.3M reduction in paid claims.**
- Implemented an out-of-network medical bill review to negotiate provider claims, **resulting in $488k in savings.**
- Executed Aggressive Case Management program, **resulting in $348k in savings.**
- Rx carve out, **resulting in $604,000 in rebates since inception.**
- Instituted a wellness program with targeted weight loss program with **1300lbs lost** over 3 years.