

COMPANY PROFILE



INDUSTRY: TECHNOLOGY



GROUP SIZE: 100 EMPLOYEES



COST CONTAINMENT TOOLS USED: BENEFITS INSIDER PLAN, PHARMACY PROGRAM, BUNDLED SURGICAL PROGRAM, DATA ANALYTICS, DIRECT CONTRACTS



CHALLENGE: CONTINUAL INCREASES IN HEALTH INSURANCE PREMIUMS

CHALLENGE:

This historically fully-insured group received consecutive increases in premium over a number of years, culminating in a 30% renewal increase in 2019. The group wanted to find ways to maintain their rich benefits but lower claims costs to prevent future increases in premiums. The group hired and tasked Hotchkiss to solve this problem.

SUMMARY:

The group transitioned to a partially self-funded program through the Benefits Insider plan allowing them to use the power of scale by combining insurance purchasing with over 200 companies (similar to a co-operative), essentially giving them the buying power of a Fortune 100 company. This allowed the group to obtain protections making their partially self-funded plan safer than staying fully-insured.

Combining this structure with Hotchkiss programs designed to wring out waste and over-charging by healthcare providers delivered significant savings and enhanced benefits for the company's employees.



Saved Year One



Cost reduction from fully insured plan



Additional Savings in Year Two

COST SAVINGS PLAN COMPARISONS

	BCBS 2018-2019	Insider Plan 2019-2020	Insider Plan 2020-2021 ⁴	YOY Change
Total Plan Spend	\$922,542	\$736,127	\$636,141	-14%
Total Per Employee Per Year Cost	\$11,115	\$8,365	\$8,370	-0%
Total Per Member Per Year Cost	\$6,685	\$4,749	\$4,610	-3%

IMPACT: COST REDUCTION EXAMPLES

- 1) One of the Hotchkiss programs provides concierge surgical navigation, providing highest quality providers with negotiated prices at a fraction of the price of the traditional networks. Employees have a choice of using their traditional network provider, subject to their normal benefits schedule, or can use the concierge program for free. In this case, an employee had a knee replacement for \$20k. Under the group's Cigna network, the cost would have been \$60k for the exact same surgeon and hospital. This saved the company \$40k in claims costs, and the member had their total out-of-pocket costs waived since they chose to use the program. The member received expensive care at no cost!
- 2) One members takes a very high-cost medication for an ongoing chronic disease. Hotchkiss identified and sourced the medication directly, saving the company \$30,000 per year for one member. The member now receives their medication at no cost, while in year's past paid \$5,000 per year out-of-pocket!