



Benefit Commerce Group Success Stories

Benefit Commerce Group, an Alera Group Company

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**BENEFIT
COMMERCE**

group

AN ALERA GROUP COMPANY



Non-Profit / Education / Public Sector

Non-Profit

THE CHALLENGE

One of the largest and most well recognized non-profit organizations was frustrated by employee dissatisfaction with the cost and quality of benefits. In addition, the organization had been receiving inaccurate and inconsistent plan financial data and inaccurate compliance advice. Management did not have confidence in their overall health plan design and strategy.

THE SOLUTION

Completely reconstructed the historical financial records. Completed a compliance assessment. Created a new benefits strategy that improved benefits & lowered costs. Created one-on-one enrollment strategy for OE and new hires to provide personal guidance for benefit selections. Completed analysis, planning and execution of multiple local and national acquisitions.

THE IMPACT

The actuarial value of the benefits has remained the same for 6 years. For that time period, the plan achieved \$7.7 million of savings vs median cost trends. All employee contributions in 2021 are 21% lower than in 2015. Employees receive a \$600/\$1,000 annual HRA account fund and families receive \$1,200/\$2,000. Improved benefits, lower employer costs, and reduced payroll deductions for employees...a win-win-win!

Non-Profit Organization

THE CHALLENGE

This non-profit with 65 employees enrolled on their health plan competes for talent with colleges and universities that have rich benefit plans. Renewal increases were higher than national trends. No multi-year strategy in place. Employer did not want to change to another insurance carrier due to superior medical network of their existing carrier in their area. Reducing benefits to lower their costs was not an option as it would hurt their ability to recruit and retain talent.

THE SOLUTION

Restructured plans to more efficiently allocate employer and employee healthcare budget. Improved benefits for employees. No change in health insurance carrier. Implemented employee wellness programs with participation incentives and rewards. Provided employee education on healthcare consumerism and transparency tools.

THE IMPACT

Total health plan costs were reduced 16.9% in the first year while increasing the value of the plans over the previous year. First year savings of \$69K. Average annual increase of less than 1% over a five-year period with no reduction in benefits. Five-year savings of \$540K or \$12,558 per employee.

Non-Profit Healthcare

THE CHALLENGE

At this non-profit crisis and recovery center with 1,200 employees in 10 states and 700 enrolled in their medical plan, the perceived value of benefits was not at the level they expected for their employees. The employer wanted to provide a more affordable option to encourage better participation across a broader range of employees, while still providing value to them. They found it a challenge to recruit employees from hospitals with richer benefits. Compounding the challenge: steadily increasing health plan costs that were not sustainable. Employer had absorbed 100% of the rate increase in previous two years to shield employees from increased payroll deductions but had a sub-par annual open enrollment experience. In addition, the organization had been receiving inaccurate and inconsistent plan financial data. Employer was not receiving strategic recommendations and adequate reporting/data analytics from previous employee benefits consultant.

THE SOLUTION

Provided benchmark report to compare benefits against industry and regional peers. Created a new benefits strategy that maintained economic value of benefits and added an additional plan with a \$1,000 first dollar HRA benefit that has a \$0 employee contribution for single coverage. BCG provided alternative money-saving proposals within a week of being brought on board and transitioned successfully to a new carrier within a very short timeline. Established clear objectives and expectations for the team and consistently performed better than expected on the implementation timeline/calendar for open enrollment and installation, as well as ongoing management. Provided access to an employee decision support tool, provided both recorded and live enrollment education sessions, and addressed individual questions and concerns from employees. Completely reconstructed the historical financial records.

THE IMPACT

Savings of over \$1,000 PEPY and over \$600,000 total in the first year, while improving the contract terms of the plan. 70% utilization of employee decision support tool. Increased the participation in the plan overall by 11%. Increased participation in the Consumer Driven Health Plans (CDHPs) from 30% to 45%. Higher employee satisfaction with health plan.

Higher Education

THE CHALLENGE

A higher education organization with 655 employees enrolled on their health plan was seeking a sustainable and forward-thinking strategy with focus on saving money while continuing to provide high quality benefits with improved communication. Wanted to explore potential savings through self-funding.

THE SOLUTION

We completed full market analyses of medical network, claims, and self-funded feasibility to identify appropriate funding options to maximize savings. Implemented data warehouse and analytics platform, contribution modeler, and employee decision support tool.

THE IMPACT

Health plan costs were reduced by \$700 per employee in the first year without reducing benefits. First year total plan savings of \$459,000. Employee contributions equal to or lower than previous year.

Public / Fire District

THE CHALLENGE

250+ employee fire district, with retiree coverage. Insurance trust platform was not meeting the needs and goals of the members and district. Desired greater control over benefit plan designs, costs, retention of cash reserves, strategy, education, wellness, technology, day to day service and compliance. They sought to begin a new relationship with a trusted consultant partner.

THE SOLUTION

Completed thorough review of existing programs, vendors, and performance. Conducted market analysis. Designed new strategy based upon discovery with all stakeholders within the organization, vetted and selected new stop loss carrier and administrator, implemented new benefits programs for active and retiree members.

THE IMPACT

Participation in the HSA plan increased from 55% to 100%. Created savings to produce HSA fund of \$800 per employee annually. No reduction in benefits for 5 years. Actuarial plan value enhanced in 2019. Prior to Benefit Commerce Group's involvement, the claims trend was increasing at 8% annually. Since 2013 when BCG became the consultant, annual health plan costs have increased less than 1% per year. During that time, benefits improved and the district paid 100% of plan costs for employees and their families. Overall, since BCG has been this client's consultant, they have saved \$7,778,40 in claims costs vs. median annual trends.



Construction / Manufacturing / Industrial

Construction

THE CHALLENGE

1,000+ employee construction company in multiple states. They historically viewed health insurance as a commodity, with no ability to control costs. Provider network discounts were poor and a lack of integration was creating problems.

THE SOLUTION

Completed a provider network analysis that revealed significant savings. Moved their self-funded plan to an integrated, modern solution with better network discounts.

THE IMPACT

Evolved over time to more than 70% of participants in high performance networks yielding additional savings. No reduction in benefits for 10+ years. Per Employee Per Year (PEPY) costs are 4% lower in 2021 than they were in 2014. \$6.8 million total plan savings. Families today contribute only \$195 per month for a \$500 deductible copay plan. Added EAP, FSA, worksite benefits. Included bilingual one-on-one enrollment services for OE and new hires. In 2021, the company introduced a health advocacy/care coordination team to proactively assist all members. 100% of the employees agreed to participate.

Industrial Machinery

THE CHALLENGE

Ten years ago, Benefit Commerce Group met with an industrial machinery company with 250 employees on their medical plan, with 10 branches in 3 states. They had 7 medical plans with 4 insurance companies. They had regularly experienced double-digit annual increases which was not sustainable. Something had to change.

THE SOLUTION

The executive team and Benefit Commerce Group developed a long-term strategy that aligned the economic interests of the company and its employees. They engaged the employees to be a part of the solution and rewarded employees for making the right choices. They implemented proven best practices and educated their employees on how to best navigate the healthcare system and rewarded them for healthy behavior.

THE IMPACT

The results:

- Lower overall health plan costs
- Lower payroll deductions
- No reduction in benefits
- Improved health of employee population
- Higher satisfaction with health plan
- Long-term sustainability

That was 2010. What about recent years? Still a success. Since 2016, the company has beaten median trend by \$8,684,775... That's \$40,751 per employee. At the recent 2021 open enrollment, the CEO announced their employee benefits and contributions were NOT changing for the 4th straight year for employees and families.

Equipment Manufacturer

THE CHALLENGE

500+ employee manufacturing company that has experienced significant growth over the past 3 years, growing from 70 employees to 616. They needed a benefit strategy to support that growth. They also were struggling with budgeting, as they did not have accurate insight into their claims data and plan performance.

THE SOLUTION

Redesigned their plans to incorporate a Consumer Driven Health Plan (CDHP) approach, including establishing first dollar health care accounts for employees. Added a High Performance network option to improve affordability for employees. Redesigned their contribution strategy to reward employees for choosing the most cost effective plans. Implemented a population health/ data analytics system to get visibility into their past claim's performance and future expected costs. Overhauled and implemented benefit administration system to support the new plan design.

THE IMPACT

Negotiated with their current medical carrier a 2% reduction in premium, mid plan year. Resulted in a savings of \$104,750. Secured an 18-month rate guarantee, based on their superior claims performance, thus giving budget certainty. 72% of participants enrolled in a CDHP plan. 39% of participants enrolled in a High Performance network yielding additional savings.

Mining Corporation

THE CHALLENGE

A mid-size employer, fluctuating in employee size between 150-400 due to mining contracts which vary in size and project length. Needed their health plan benefit offering and annual rate changes to be stable through their self-funded program. This is important to be competitive with their mining contract bid rates to win business. Strong desire to have a carrier partner who will be transparent about medical claims to understand assessments of risks, current and ongoing.

THE SOLUTION

Work with a leading, nationwide insurance carrier, to accurately establish cost factors for a competitive benefit package. The relationships built a 20-year partnership between the client, the insurance carrier and us. Open conversations with transparent, full disclosure on claim and insurance costs on a per member per month basis with monthly/quarterly assessments of claims activity. Through analytics, provide solutions to guide employees and their families to be wise healthcare consumers even with low deductibles of \$500/\$1000.

THE IMPACT

Financial stability for the company and employees.

- Over the last 20 years the average health plan renewal rate change was 5.31%.
- The last five years' renewal rate change was 1.74%.
- Company changed employee contributions 7 years ago. It was a modest change, an extra \$5 for employee coverage, \$10 for spouse, \$10 for child(ren), \$15 for family coverages.
- The last 7 years, employee and dependent contributions have stayed the same.

Recognized within the mining industry as having the most affordable and comprehensive benefit package amongst all their competitors. The insurance carrier recognized loyalty and stability in the partnership. For the 20-year anniversary of the partnership, the carrier gave the company a \$20,000 administrative bill credit at the 2020 renewal.



Professional / Technology / Legal

Technology & Communications

THE CHALLENGE

Rapidly growing company with 500+ employees was facing a 39% increase in their health plan for the 2015 plan year and did not understand why or what to do about it. The company had experienced 4 carrier changes in 4 years.

THE SOLUTION

Benefit Commerce Group was retained to diagnose the situation by performing a comprehensive financial analysis of the historical results as well as evaluating the plan designs, incentives, and employee contributions. Identified non-reoccurring large claims that were driving the high loss ratio, restructuring the benefits and taking advantage of high-performance networks. Created contribution strategy that better aligned with benefits objectives. Implemented improved enrollment communication, including monthly meetings with new hires.

THE IMPACT

Their 39% renewal increase was reduced to 7%—without reducing the economic value of the benefits. Maintained same carrier for next 5 years. Benefits have not changed for the last 6 years and annual increases have averaged only 2.6% per year, which amounts to a \$5.6 million savings vs median increases. Employees have four plan choices, with one plan having an employee payroll deduction as low as \$43 per month for an HSA plan with a \$3,000 maximum OOP and the employer contributes \$840 to their HSA, for a net annual exposure of \$2,160.

Title Company

THE CHALLENGE

The CEO of one of the largest title companies in Arizona attended a Benefit Commerce Group healthcare workshop in 2014. He liked what he heard...not the same old strategies. The firm is a privately held company, competing with large, national title companies relative to talent, compensation, and benefits. Not an easy task. Compounding the challenge was steady increasing health plan costs that were eating into margins and impacting employee payroll deductions...a delicate balancing act the CEO was tired of.

THE SOLUTION

In 2014, BCG helped them re-design their health plan to include first-dollar healthcare accounts for covered employees and families, funded by the company. The strategy included rollover of unused funds to the next year. Best of all, the combination of the healthcare account and the medical benefits kept the economic value of the plan the same as before.

THE IMPACT

As of 2021, that is still the case...no change in the actuarial value of the plan since 2015. During that time, employee payroll deductions have only increased an average of 1.6% per year. The monthly cost of the plan in 2021 is \$1,051 per employee per month vs \$1,001.85 in 2015...a 5% increase in a 6-year period. That is a \$2.4 million savings vs median trends. And, the employer funds healthcare accounts for employees of \$1,350 per year and \$2,700 per year for families.

Law Firm

THE CHALLENGE

Large law firm with 125 employees on the medical plan was tired of the health plan costs merry-go-round. Healthcare is the 2nd or 3rd highest expense for the firm and had been increasing at a higher rate than any other line item on the P&L statement. The partners determined that their approach was not sustainable and had to change. The merry-go-round: every year they knew it was coming...the rate increase hits and is more than expected...Now what? Employer absorbs the increase, shifts some to employees, changes deductible & copays, changes carriers...picks the lesser of all evils. Communication to employees: "We did the best we could..." File materials in drawer and hold breath until next year. They knew what would happen next year unless they changed the paradigm.

THE SOLUTION

They decided to change their strategy to run their health plan like their business and developed a strategy that actually improved benefits and lowered costs. They believed that re-structuring the plans so that employees spent their healthcare dollars like their own dollars, they could change the cycle. It worked...was a win-win.

THE IMPACT

The firm is paying less for its medical plan in 2021 than it was in 2016...a \$2.9 million savings vs median medical trends. The actuarial value of the benefit plans has not changed in 7 years...no reduction in benefits. An employee contributed \$29.92 for single coverage in 2014. In 2021, that number is \$31.34...SUCCESS!



Retail / Distribution

Clothing Retail Company

THE CHALLENGE

45 stores in 18 states. 400+ employees on their health plan. Completed a broker RFP in 2011. They interviewed 7 benefits firms and chose Benefit Commerce Group.

THE SOLUTION

Conducted an analysis on current plan design and employee engagement – identified the highest cost drivers. Put together a long-term, sustainable employee benefits strategy.

THE IMPACT

Fast forward to 2021...it worked. The company succeeded in changing the paradigm by creating a benefits culture of consumerism & wellbeing. The plan has trended 53% below medians during that period, saving the company over \$11 million (\$32,895 per employee). At the same time, benefits have remained unchanged with employees having a deductible exposure of \$1,000 (after their HRA account) and a maximum OOP of \$2,750 and no copays required. From 2011-2021, biweekly payroll deductions have only increased from \$36 to \$39 for single, and family coverage deduction from \$193 to \$222.

Electronics Distributor

THE CHALLENGE

Rapidly growing electronics company made an acquisition in Arizona and quickly found themselves in a handful of states. The group was now looking at yet another above trend medical plan increase and was trying to find a way to establish a first dollar healthcare account for their employees. COBRA and FSA vendors were falling short of promises, especially in their new state locations.

- BCBS of TX medical initial renewal was 23.4%

- Revised renewal was brought down to 18.2%

THE SOLUTION

A properly designed CDHP strategy was implemented that resulted in a **5.3%** increase with no reduction in the economic value of their benefits. The new strategy allowed employees to access High Performance Networks alongside a broad National Network plan. CDHP strategy included first dollar funds for all employees.

- \$1,000 HSA fund on all tiers
- \$500 HRA fund for employee only tiers
- \$700 HRA fund for dependent tiers

Package discounts were leveraged with the new medical carrier and produced positive results on ancillary coverages.

- Dental rate pass was achieved
- Vision was -16.3%

A new vendor was found for COBRA/FSA administration that has enhanced service to both the employer and employees. New robust employee benefit guide was created to explain all benefits to employees. Trend Neutralizer was implemented to guarantee lower future renewals.

THE IMPACT

18.1% of savings compared to the initial renewal. First dollar healthcare accounts are having a tremendous impact on the benefit experience for all employees. BCG capabilities and services have significantly improved the day-to-day benefit administration for the HR team. We have become a true partner for them and their employees.