

A Better Turn for Cost Savings

The Power of Expert Analysis and Thoughtful Plan Design

If there's one consistency in messaging throughout the self-funded marketplace, it's this: our innovative solutions deliver enhanced benefits and big savings. But with so many TPAs promising the same thing, it can be challenging for brokers and employer groups to know if they're choosing the right one. Making matters even more difficult, the financial stakes have never been higher. Plans face a year-over-year risk of rising rates, with key driving factors such as inflation, new technology, specialty drugs, and catastrophic claims leading the charge. In short, your group outcome very much depends on the company you keep.

Understanding the Client First

➔ **How do you know your benefits plan is headed in the right direction?**

The answer is simple: your TPA started from a foundation of understanding where your business is and where it wants to go.

A simple answer, but not a simple process. Understanding the needs of a business involves expert analysis and a thoughtful mix of plan designs and solutions. The results, as can be seen with the following client, are unparalleled outcomes for both business and employees.

Client Background

In 2017, a nationwide retailer with **1,500+ plan members was facing a staggering 70% increase in plan rates** in the approaching new year. At that time, this client was working with a TPA that implemented several standard industry cost containment methods: Reference-Based Pricing (RBP), Stop Loss, Member Advocacy, and more. But when it came to addressing the problem of the incoming rate increase, the TPA's proposed solution was to raise employee contributions, which, ultimately, wouldn't address the problem of solvency. At this point, the client went in search of someone to help them solve this problem – and found 90 Degree Benefits.

The Devil in the Details

Upon a deep and thorough investigation by 90 Degree Benefits, **two major problems** were revealed:

1

Of the three plan types being offered to the client (Minimum Essential Coverage (MEC), RBP, and PPO), plan incentives were misaligned, causing employees to enroll in plans that were not appropriate for their income range and demographic.

2

A mix of orphan and specialty medications and high-cost treatments were driving a large part of the increase.



Course Correction

Given the financial scope of these two problems, it became abundantly clear that immediate course correction was needed.

90 Degree Benefits' first line of action was to evaluate the population, member by member, checking the income and demographics of each plan member to find which ones were "over-enrolled" in plans. In some cases, members were paying out over 40% of their gross income towards healthcare premiums.

After analysis, 90 Degree Benefits determined which employees qualified for drug manufacturer and/or government-assisted programs, and then restructured the plan design offerings to incentivize a majority of members to select plans that more closely aligned with their true needs, which in turn reduced their out-of-pocket and contribution expenses and broadened their access to available assistance programs.

PLAN TYPE	POPULATION SATISFIED	EXCEEDED BUDGET EXPECTATIONS BY (2018)	EXCEEDED BUDGET EXPECTATIONS BY (2019-2022)
MEC	22%	36%	21%
RBP	74%	44%	21%
PPO	4%	-16%	23%

The Results

Thanks to expert analysis and thoughtful plan design, and after four years of 90 Degree Benefits' continued plan administration, the client has seen their member population more than double, while the PMPM amount they were initially facing in 2018 saw a decrease of 46%.



**2018: 1578 plan members,
\$704 Projected PMPM**

**2022: 3473 plan members,
\$375 PMPM**

It's not just about having the right tools. It's knowing how – and when – to use them.

Making the right turn for your benefits is more than having the right cost-containment methods and programs in place. It's also evaluating the dynamics of the population to understand where each member needs to be. It's educating each member on how advocacy programs work, and the differences between each plan they're offered, so savings are taken to a higher level, year-over-year.

As an industry-leading TPA, we understand it's not enough to have a catalog of cost-containment solutions. What we strive for instead, member to member, are results. And as our clients see their businesses grow, we change with them. Are you ready to move your plans in the right direction?

**Make a better turn for cost savings, with expert analysis
and thoughtful plan design from 90 Degree Benefits.**

The Right Turn For Your Benefits

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A Turn For The Better