



Achieving Zero Net Increase in Healthcare Spending

an EBMS case study

Executive Summary

Innovation made it possible to cut health plan costs dramatically, while simultaneously offering plan members comprehensive coverage and a high level of service. A departure from traditional plans and large carriers were key to this change.

The Scenario

This case study involves a U.S. company that has been in business for over half a century. With 500 employees, it is a large regional employer with a strong presence in the community.

The company sells products within an industry that is highly sensitive to economic cycles. It must weather periods of decreased demand and revenue on a cyclical basis.

Management is forward thinking and places a high priority on the health and well-being of its employees and their families.

The Problem

Healthcare spend in general has skyrocketed over the past decade. For years, this company struggled to find an effective solution for providing employees and their families with an affordable, yet comprehensive, benefit plan. Management was finding it nearly impossible to justify the high cost of running a traditional health plan in their community.

The issue was finding a balance between two competing interests: the company's bottom line and the need to provide a high level of care and coverage. The company wanted to show employees that they were valued, even during periods of lower profits. It rejected tactics like shifting more costs to employees or cutting back on coverage.

The Solution

The company reached out to EBMS, an industry leader in health risk management and third-party administration of self-funded health plans.

Over a five-year period, the company worked closely with EBMS to implement an innovative strategy. Together they designed a complex, highly customized health plan from the bottom up.

The new, three-pronged approach was based on clear goals:

- 1. Reducing medical claims costs through new care delivery models**
- 2. Reducing pharmaceutical costs through strategic plan design**
- 3. Increasing member engagement through strong communications**

..... Here's a closer look at each component.

Community-based care reduces claims costs

What it is:

An on-site primary care clinic with a custom provider network that wraps around it

How they did it:

EBMS assisted with outreach to area providers and regional health facilities. They put together a custom network of providers that the company contracts with directly, according to defined fee schedules.

Then the company opened and began operating its own independent primary care clinic, based on the EBMS miCare model. The new miCare Health Clinic can provide most of the services offered in a traditional office visit, including lab work, at far less cost. It effectively removes plan members from the commoditized retail healthcare environment.

A focus on the formulary reduces drug spending

What it is:

A stronger formulary design that guides members toward lower-cost generic options – plus a dispensing model that eliminates the profit motive of traditional pharmacy benefit managers (PBMs)

How they did it:

The company worked with EBMS and its preferred pharmacy partner on formulary design. Members are incentivized to use generic drugs (which comprise over 90% of all prescriptions) through a hassle-free process. They get preferred medications free of charge when they order them through the miCare Health Center or the miRX mail order program.

Outreach keeps plan members invested

What it is:

A robust internal communications campaign designed to gain member buy-in for the new plan structure.

How they did it:

It was crucial to the new health plan's success and mission that all employees have a clear understanding of how and where they would seek care, and how the miCare Health Center would function. The campaign was designed to educate and highlight out-of-pocket cost savings. As a result, plan members have been able to comprehend and embrace the changes.

..... The Results

Since full integration of this comprehensive plan in the first quarter of 2018, the company has seen zero increase in overall health costs. It has effectively flattened the upward spend trend.

Employees enjoy both lower premiums and expanded access to care. With the on-site health center's emphasis on prevention and wellness, hospitalizations have dropped dramatically.

The company's employees now experience a truly gapless care delivery system. Same-day care is the norm, and throughout the custom network – including the on-site health center – collaboration and communication between providers and pharmacists is seamless.

As a result, the company benefits from a healthy, happy and engaged workforce.

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The Takeaway

Transformation is possible, even in the current healthcare environment.

Any company can take control of costs through customized plan design. While the large carriers offer cookie-cutter options, EBMS can create a health plan that reflects individual client circumstances, values and goals.

**Want Results?
Call Us Today.**

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