

Single Digit Renewal Decline

Funding Disruption Revealed Larger Savings



Client Highlight:

- International, multi-state employer
- 500 U.S. employees
- Manufacturing industry



Challenge:

Fully insured employer had low utilization, low medical loss ratio, and only one large claim at approximately \$100,000 yet their carrier offered a three percent renewal increase.



Solution:

Risk Strategies declined the single digit renewal increase in addition to:

- Proposed the employer move to a self-funded model based on incoming projections
- Negotiated the incumbent carrier's initial offer from a three percent renewal increase to a minus five percent renewal
- Decreased the employer's costs by 13% even though they stayed with the same carrier's medical and pharmacy networks

A Deeper Look

Moving to a self-funded arrangement not only decreased this employer's costs, it gave the employer access to critical data enabling the employer to proactively manage their plan and costs in the future.

Changing the funding model but staying with the same carrier eliminated the administrative burden of implementing a new carrier as well as noise from frustrated employees experiencing network or access disruption.