



Benetech
benefits • payroll • hr

Powerful Savings Achieved Quickly

Benetech achieves impressive savings through experience and alternative funding arrangement.

Client: County Government

Number of Covered Lives: Over 1,800 Active & Retired Employees

This client currently provides benefits to approximately 1,800+ active and retired employees, including self-funded medical, prescription drug, and dental plans.

Prior to our engagement, the County had been operating under a fully-insured/prospectively rated contract, and had been insured by the same carrier for over 25 years.

Immediately upon our engagement, Benetech performed an evaluation of the County's historical claims experience, prior renewal exhibits, and the current (2012) fully-insured renewal projections.

Due, in large part, to our experience with similarly situated employers, it was evident that the County had opportunities for significant savings if we implemented an alternate funding arrangement, or a form of self-insurance, which are readily available in the marketplace.

After all the necessary data was collected and analyzed, Benetech made the recommendation that the County move from the fully-insured/prospectively rated contract to an (ASO) Administrative Services Only (with stop-loss) contract with the current carrier for their Medical, Prescription Drug, and dental benefits.

That decision resulted in savings in excess of \$3 million dollars for the 2012 Plan Year, and put the County in position to enjoy future savings through reduced retentions, administrative expenses, and expected claims projections.

In the summer of 2012, Benetech also conducted a comprehensive RFP (Request For Proposal) on behalf of the County for their Medical, Prescription Drug, and Dental benefits. We invited nearly 30 vendors that could accommodate the County's benefits structures and administrative needs.

That effort resulted in reduced administrative fees for the 2013 Plan Year, and positioned the County to enjoy future savings by accessing more competitive provider reimbursement arrangements.

Looking forward, we have also performed the necessary financial and benefit level analysis, and will be implementing a Medicare Advantage Plan for the County's Medicare-primary retirees. As an alternative to the traditional commercial plans that retirees have been enrolled in the Medicare Advantage savings is expected to be in excess of \$500,000 on an annualized basis.

Finally, in addition to the cost savings initiatives described above, upon the County's move to a self-funded model, we also developed and implemented a 'Pre-Payment Claims Review" process. In an effort to ensure that the County paid claims only on behalf of members that were truly eligible for coverage as of the date of service. On a weekly basis, we receive and compare the claims files against the eligibility files for that same time period, and advise the County of any claims deemed to be "ineligible", thus preventing any overpayments by the County.