

Case study

How consumer driven health care helped engage employees, drive down costs and increase wellbeing for a Midwest-based manufacturer.

When an innovative, publicly-traded Fortune 500 company needed to transform its health care benefits and drive down costs, it turned to BenefitWallet® for help.

Innovation leads to dynamic, consumer-driven benefits program

A two decade old company has grown from a single-building operation to a Fortune 500 metals company. The company has mills, fabrication facilities and recycling plants at 80 locations throughout the United States.

Due to an intense focus on innovation, the company experienced major growth through acquisitions and expanding existing facilities. This innovation came in the form of pioneering the use of modern technology and leading-edge employee incentive programs – approaches that helped revolutionize the industry, which is visible in today's global economy.

Challenges

The company faced three big challenges related to their health plans:

1. They needed to deliver the right care at the right time.
2. They needed to drive employee engagement.
3. They needed to empower smart health care decisions.

The goal: Journey from consumerism to personalization

Having engaged, involved employees is important to the company. They have a strong culture of ownership and make it tangible. Every employee receives company stock; incentive pay is tied to team success, division and company performance; and employees can double or even triple their base pay through production bonuses and profit sharing.

With 95 percent of eligible employees enrolled in a company health plan, the high cost of health benefits impacted virtually everyone. The company began looking at ways to reverse this trend.

How the company achieved its goal

By 2011, health care spending had reached \$75 million annually, with projected annual increases of 5-7 percent. The company decided to take a deep dive into analyzing cost drivers in the health plans they offered employees.

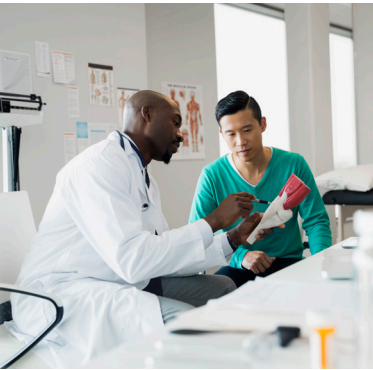
The company found that costs between health care providers varied greatly for the same services, with little or no relationship to improved quality or outcomes. Therefore, a new direction was decided:

- Put faith in employees to do the right thing
- Give them the information they need
- Incentivize smart choices

So in 2013, the company began working with BenefitWallet, a leader in the nation's Health Savings Account (HSA) industry, and introduced the first HSA Plan as a second health coverage option.

“Now more than ever, having healthy employees on the job each day is crucial to our success. The ownership and flexibility that HSAs offer are key to engaging employees in their wellbeing.”

– Eric Record, Health and Benefits Leader



A decision to embrace an integrated health benefits platform was driven by two facts: the company is in an extremely competitive industry, and the cost of providing health benefits continues to rise.

The results

In 2013, the HSA started off with 6 percent of eligible employees enrolled. The company realized that providing a consumer shopping tool was key to engagement in their consumerism strategy. So, in 2014, Castlight Medical and Pharmacy was launched for all 6,500 covered employees.

HSA enrollment grew to 12 percent in 2014, and then jumped to 15 percent in 2015. Throughout the process, the company provided first-time company contributions, which doubled the annual company contribution. This was done as an incentive for trying the new plan.

Beginning in July 2015, the company communicated to employees that a traditional PPO Plan would sunset, and that 2016 would be the last year for the Plan. Following that announcement, HSA Plan enrollment increased to 52 percent in 2016.

Beginning in 2017, the company offers a choice of three HSA qualified health plans. Now the company's journey continues with constant education and consumer empowerment to shop for value. Slowly rolling out the HSA helped ensure employees were educated and on board.

What's next?

The company is continuing its partnership with BenefitWallet, aligning the health insurance and savings account strategy with that of retirement and financial wellbeing. Ongoing communications about the HSA – provided by the company and by BenefitWallet – help keep employees informed and engaged.

How can we help?

Health care costs are on the rise. If you offer a High Deductible Health Plan, the BenefitWallet HSA can help reduce costs for your employees.

Whether you are considering an HSA for the first time, are increasing your enrollment in your existing HSA program or are looking to transfer an existing HSA benefit to a new administrator, BenefitWallet is here to help.

For additional information, please contact us:
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