



Cutting Down Medical Renewal Costs with an Employee-Centric HSA

THE CHALLENGE

An industrial machinery company with 10 branches in 3 states had 7 fully insured medical plans between 4 different insurance companies. The company was suffering unsustainable, double-digit annual renewal increases in addition to a misalignment of economic objectives between the employer and employees.

THE SOLUTION

Over several years, Alera Group implemented a full replacement CDHP, maintaining the same economic value of the previously established benefits. Alera Group organized an alternative HSA plan to cover employee medical expenses to supplement the company's self-funded HRA. The Alera Group team conducted health screenings to determine important areas of focus, leading to an employee cost-incentive program for refraining from tobacco use and engagement in various other wellness practices.

THE RESULT

The company saved **\$2.5 million over 5 years** and lowered their renewal increases to an average of 3.2% a year. The company had multiple years with no premium cost increases for employees and the average claim cost per covered member was significantly reduced. All of these changes were implemented *without reducing the employees' benefits*.



DID YOU KNOW

According to the National Business Group on Health, large companies predict the total cost of workplace health coverage to reach an average of \$15,375 in 2020 – a dramatic increase from \$14,642 in 2019.