

# 2020

## CASE STUDIES





# ABOUT

## Simply put, insurance is about sharing risk and creating risk pools.

If you're participating in a preferred risk pool, you're paying less ... and vice versa.

With respect to health insurance, the premium your company pays has a lot to do with who your company is sharing risk with.

So the question is, who is your company is sharing risk with?

### Fully Insured Health Plans

When an employer purchases a fully insured group health plan, the employer is choosing to pay a carrier a pre-determined premium ... and in return the carrier bears all of the financial risk.

In this arrangement, the carrier provides the employer very little transparency and not much opportunity to control or manage risk.

These employers are put into pools. In many states, there's a small group market pool for groups with under 50 lives and there's a mid-sized market pool for groups with 50 to 200 lives.

We refer to these employers as "do nothing" companies as there's not much to do to manage risk. Clearly, this is not a preferred risk pool.

### Benefit Captives

Many mid-sized employers have banded together to pool their risk in an effort to have the same advantages of self-insurance as larger employers. This new type of pooling was introduced in 2009 ... called a benefit captive.

When benefit captives were first introduced, the appeal to mid-sized employers was the opportunity to reduce healthcare spend by minimizing insurance carrier underwriting profit and reducing state premium taxes. In addition, there was an opportunity to avoid offering expensive state mandated benefits as self-insurance is regulated by the federal government, not the state government.

### What We Learned

We learned that transitioning to self-insurance doesn't ensure financial success. What ensures financial success is the underlying risk management tools, techniques, and strategies.

It was clear that there was a tremendous opportunity to help employers control healthcare spend by making available these highly effective risk management strategies. Then the breakthrough moment occurred ... how about banding together employers who embrace risk management and creating a preferred risk pool.

### Excel Health Alliance

Excel Health Alliance is a coalition of "like-minded" employers that have banded together to embrace effective, proven, ERISA-tested and compliant risk management strategies. These employers work with our exclusive network of benefit consultants and utilize proactive tactics to prevent, mitigate, and transfer risk. The result ... an exceptional preferred risk pool.

Our employers are experiencing outstanding results, but that's not all.

We've created high performing health plans that incentivize employees to be great consumers of healthcare ... and when they are, care is free or near free. Employees have learned that high cost care doesn't equal high quality care.

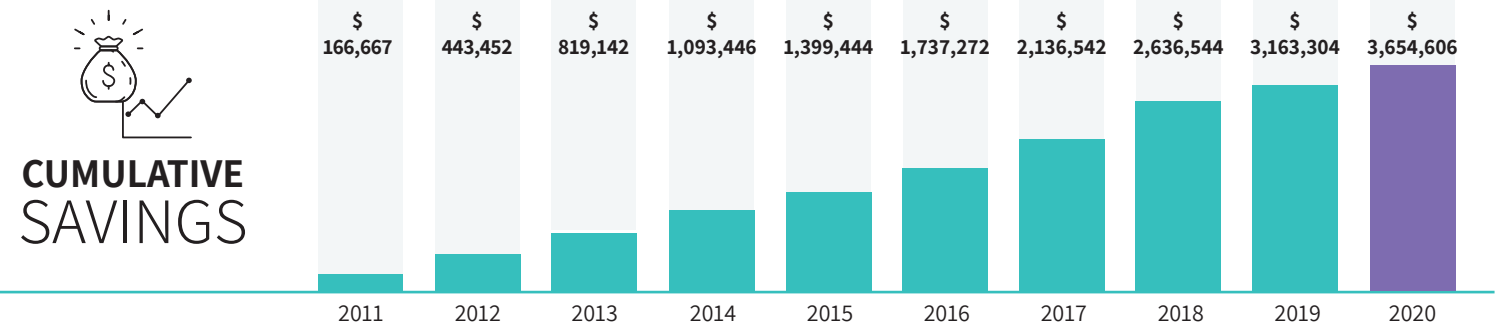
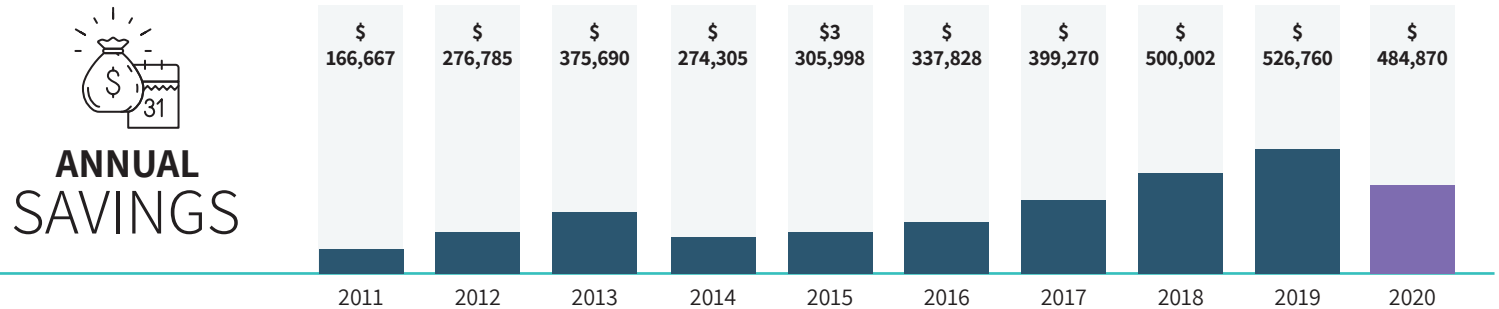
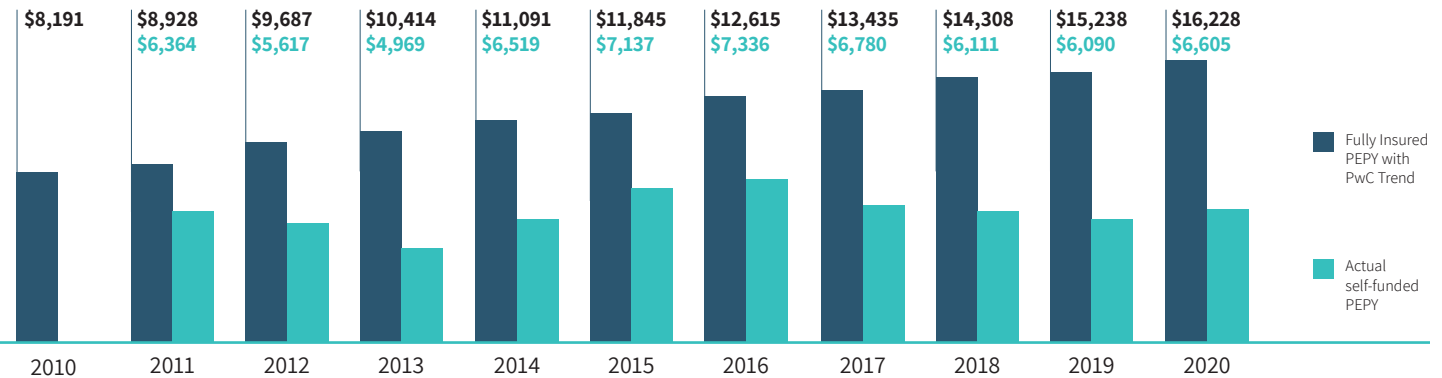
Most of our clients haven't raised premiums, copays, or deductibles since making the transition to self-insurance. Our clients recognize that healthcare is the 2nd or 3rd largest expense after payroll and are so grateful to have the insights and strategies to control this spend.

If you're an employer trying to decide whether self-insurance is right for you, we believe it's critical to partner with a benefit consultant that can provide you the optics, strategies, risk management, and expertise needed to guide you.

Enjoy our case studies. The results are outstanding!

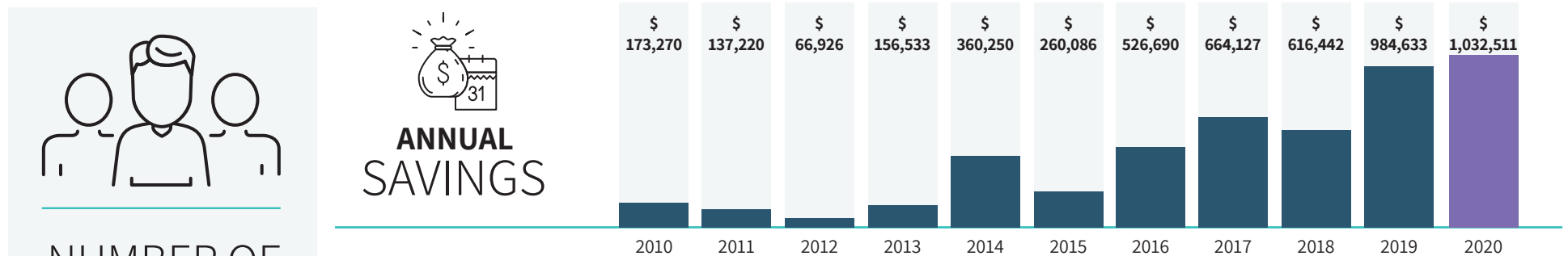
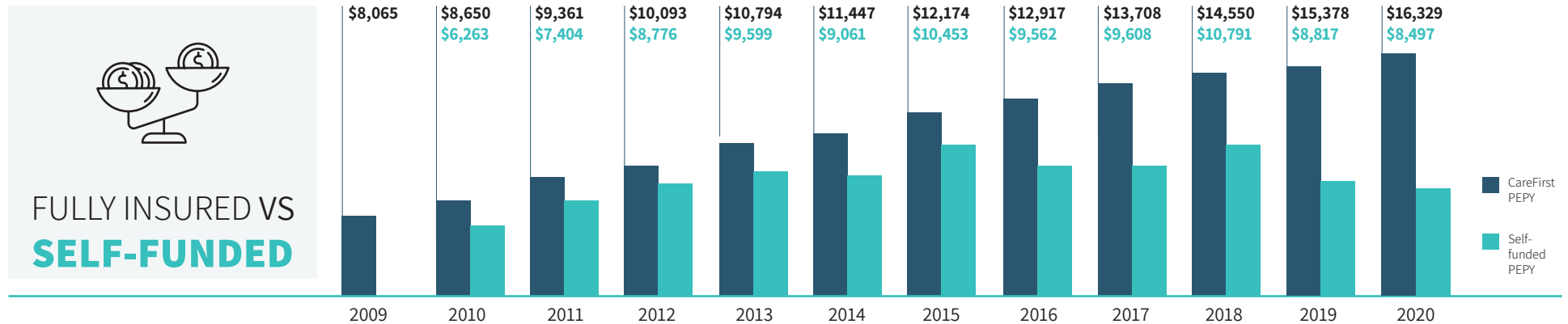
# EDUCATIONAL INSTITUTION

This educational institution values offering robust benefits as it's an important part of their employee recruitment and retention. After experiencing double-digit renewal increases for several years, they decided it was time to “educate” themselves about alternatives to the status quo solutions. They decided to stop relying on their carrier to manage their health care spend and to take matters into their own hands. Benefits were enhanced and many \$0 copay options became available. Nine straight years of significant savings and no premium increases for employees ... not bad!



# FOOD DISTRIBUTION

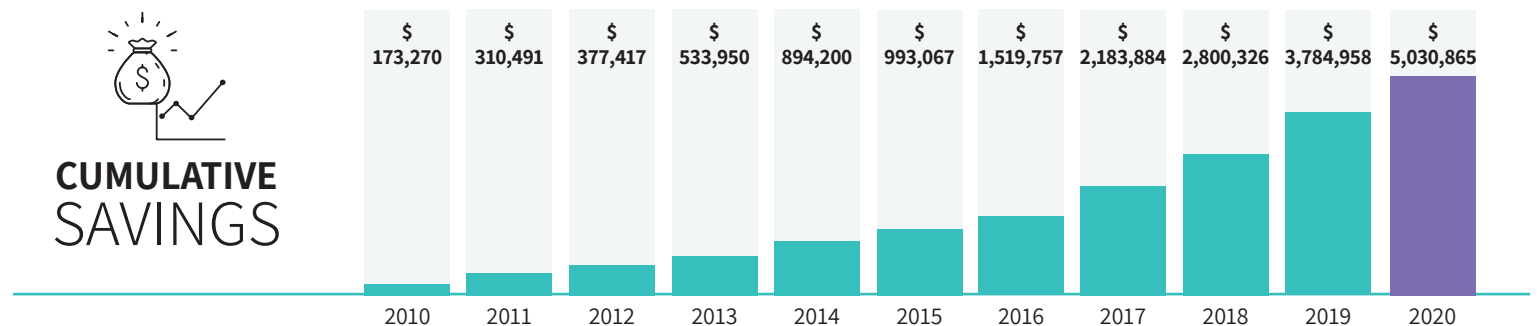
This employer joined the first medical benefit captive created in the Mid-Atlantic Region. Having transparency, control, and risk management has really paid off! This local employer has been in business for over 80 years and they have created an improved culture of good health. Their cumulative savings now exceeds \$3.7 million.



NUMBER OF EMPLOYEES

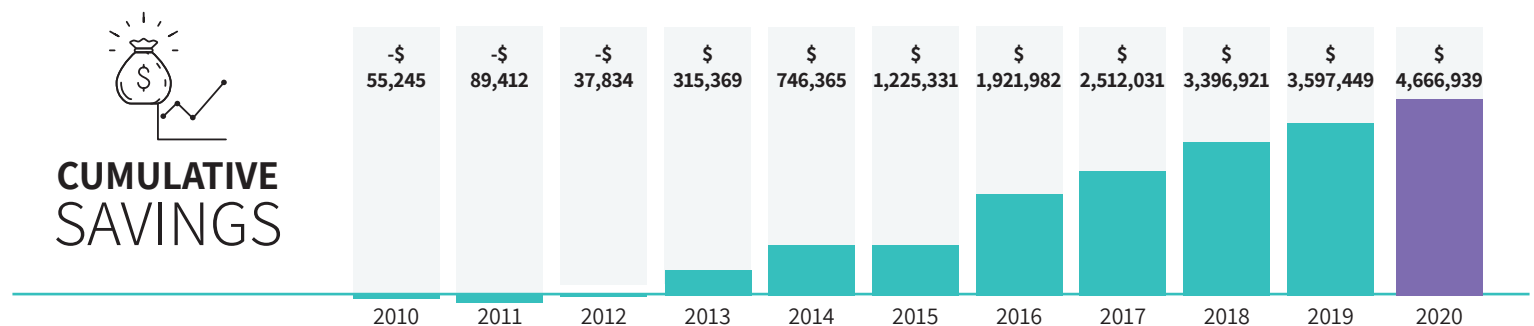
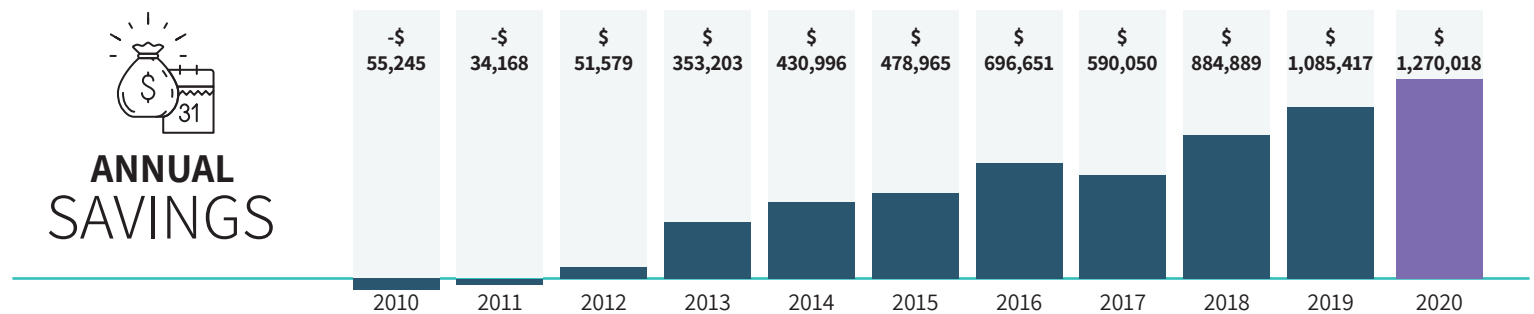
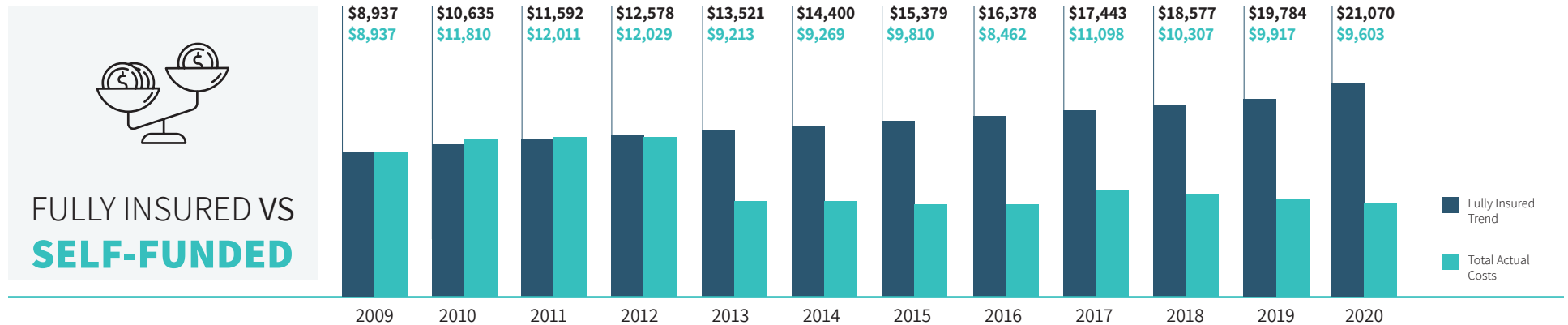
# 144

2020



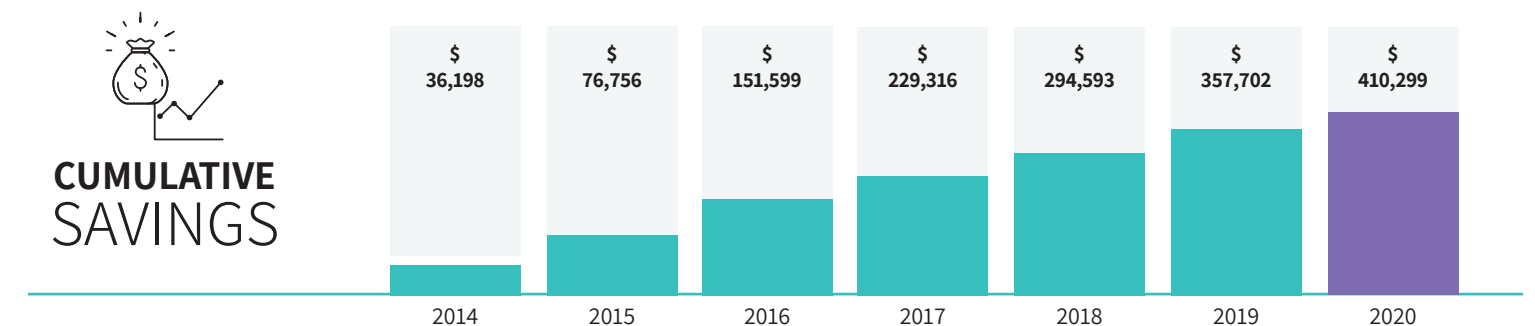
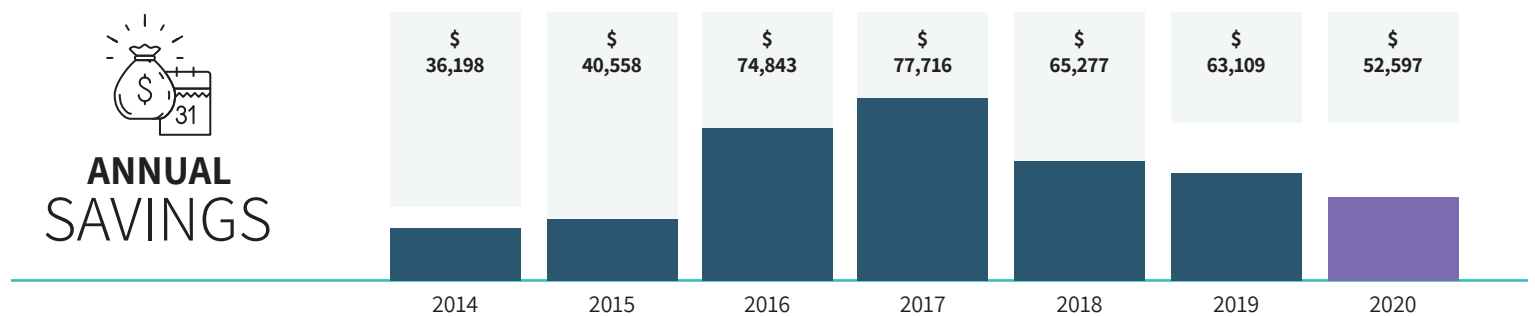
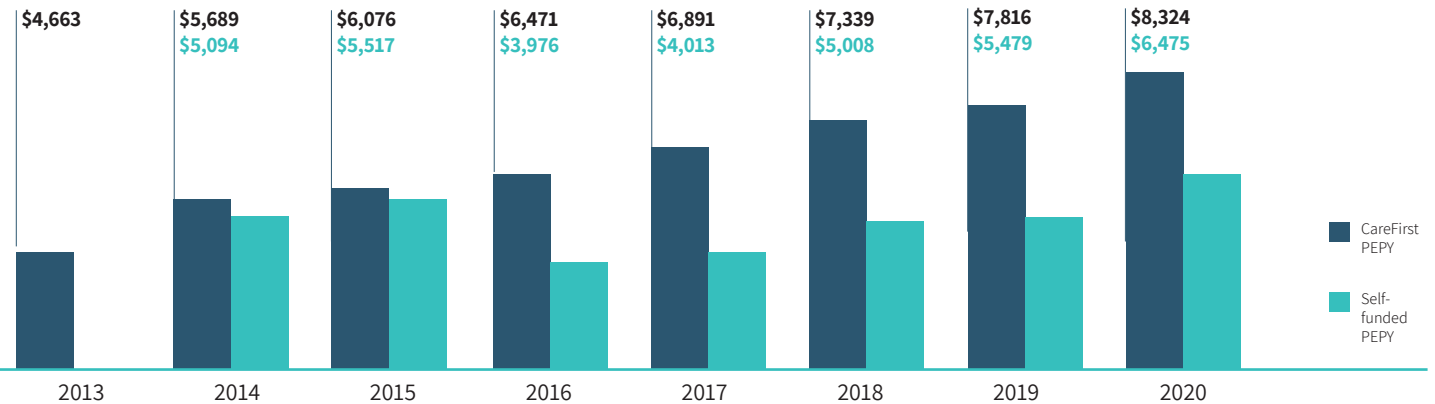
# COMMERCIAL REAL ESTATE

Imagine having such a successful business that you give your 150 employees a combined \$10 million dollar surprise Christmas bonus. That's precisely what this commercial real estate firm did in 2019. The benefit consultant can't take all of the credit, however saving \$4.4 million in healthcare spend in 10 years is a good start. When you're in the real estate business, you need to know your numbers ... and transitioning to self-insurance has been a tremendous windfall.



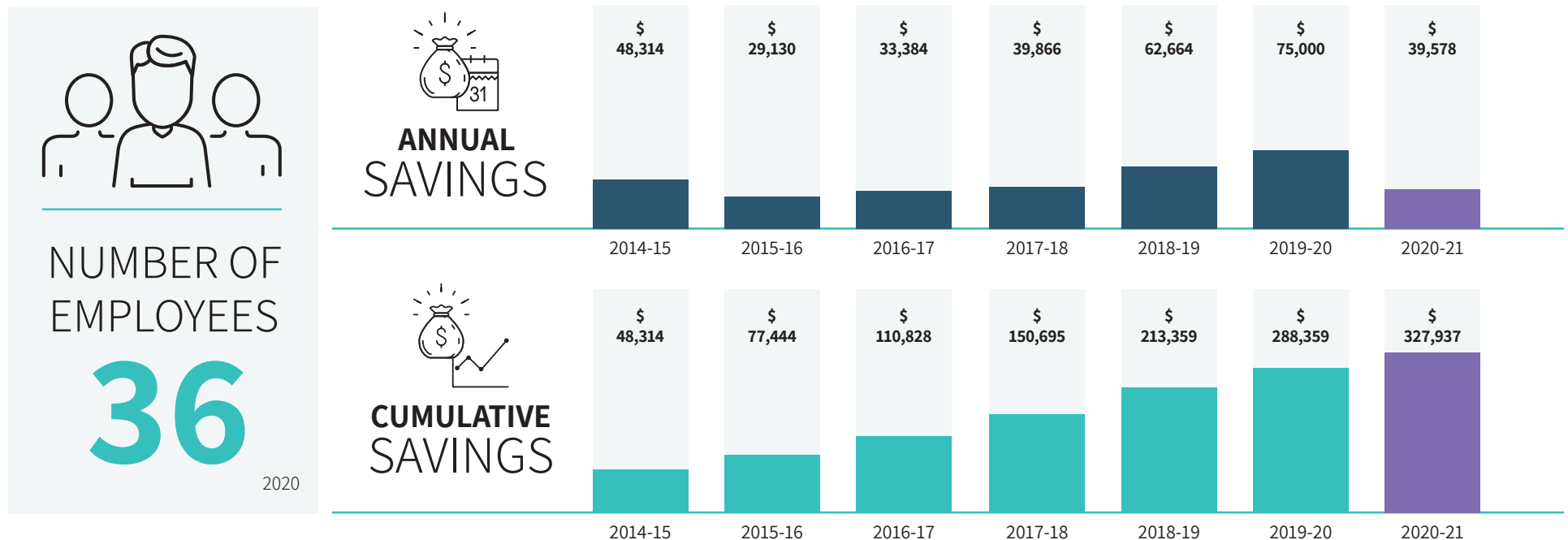
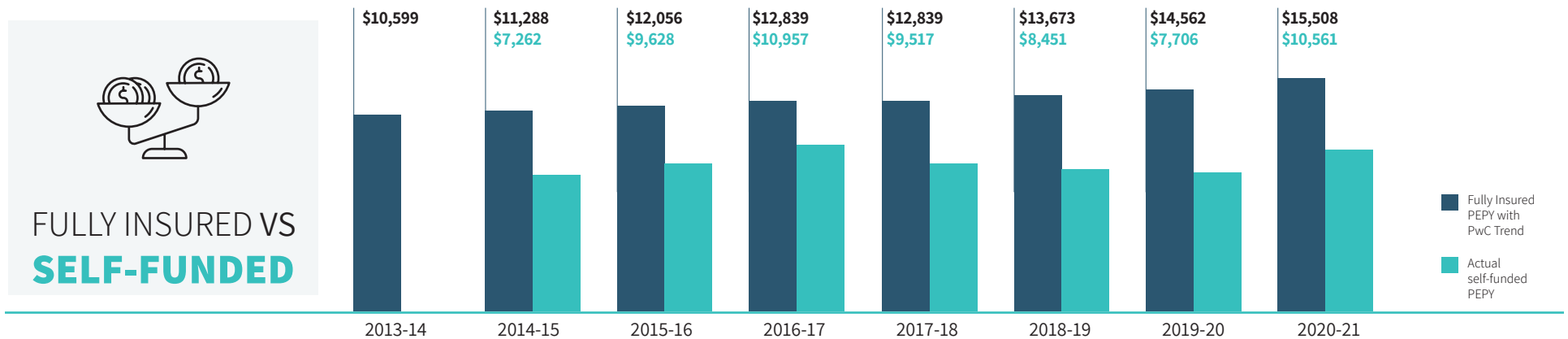
# ENGINEERING FIRM

This family owned and operated local engineering firm struggled to manage the unsustainable rising cost of healthcare. This employer took the advice of their consultant and transitioned into an unbundled self-funded health plan. Rather than giving their money to the fully insured carriers like most companies this size, this employer was able to retain.



# LAW FIRM

It's not easy to get a 35 employee law firm with 15 partners to break the status quo and transition from fully insured to self-funded. After taking this leap of faith, they've never looked back. Benefits are as extremely rich and they've never raised their employees premium or out of pocket costs.



NUMBER OF EMPLOYEES

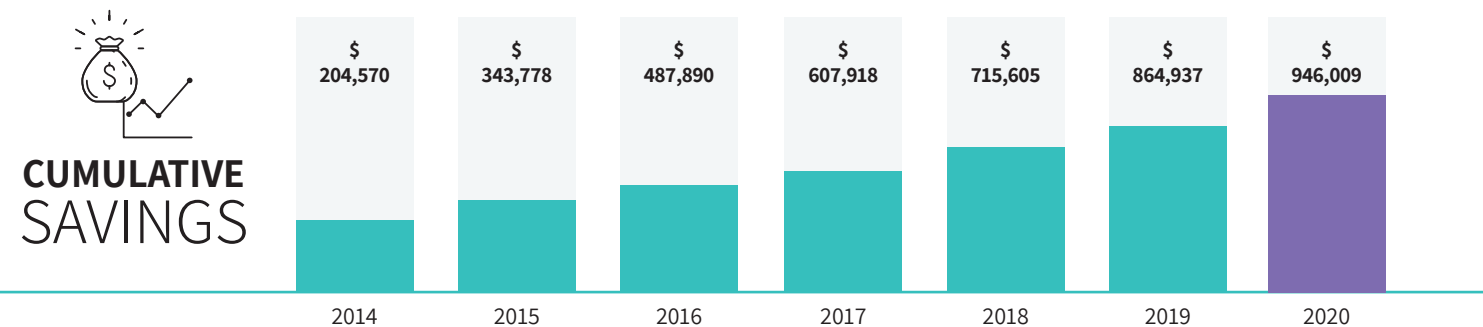
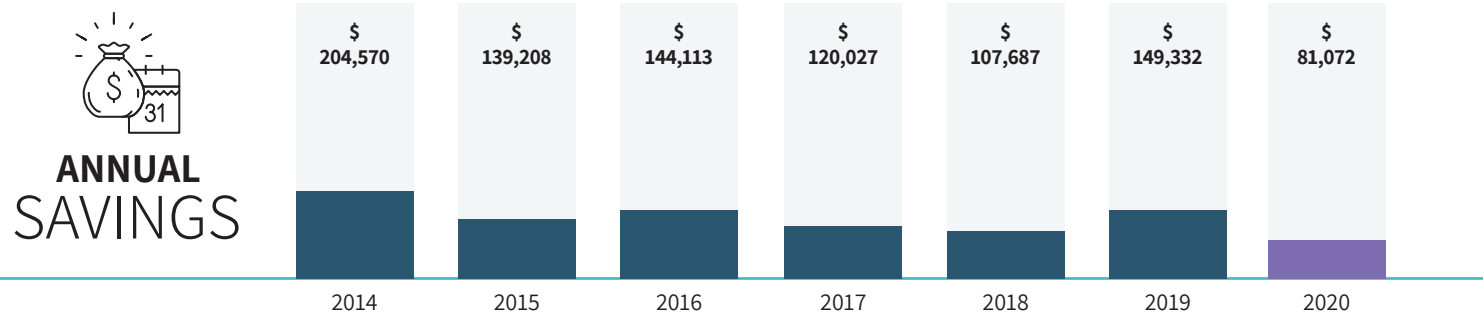
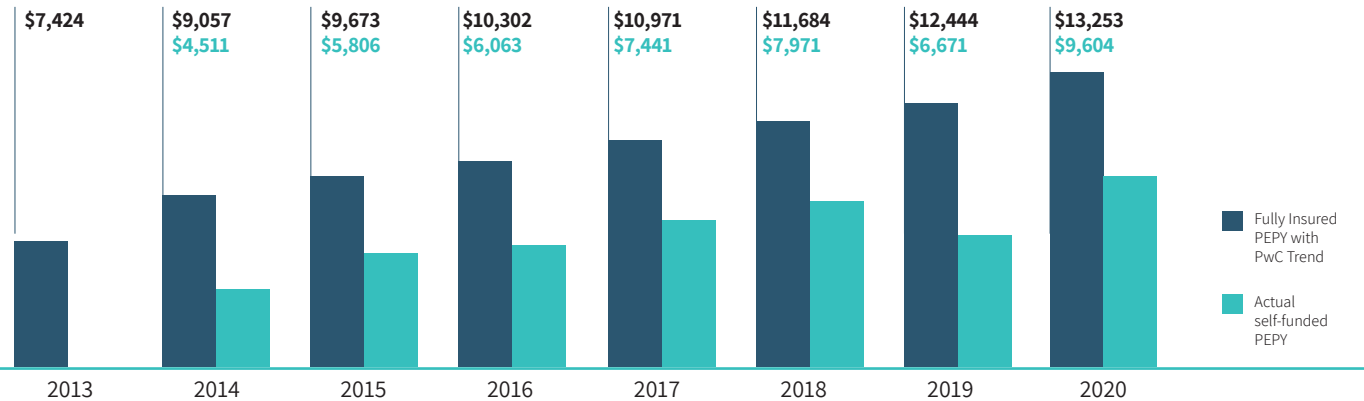
**36**

2020



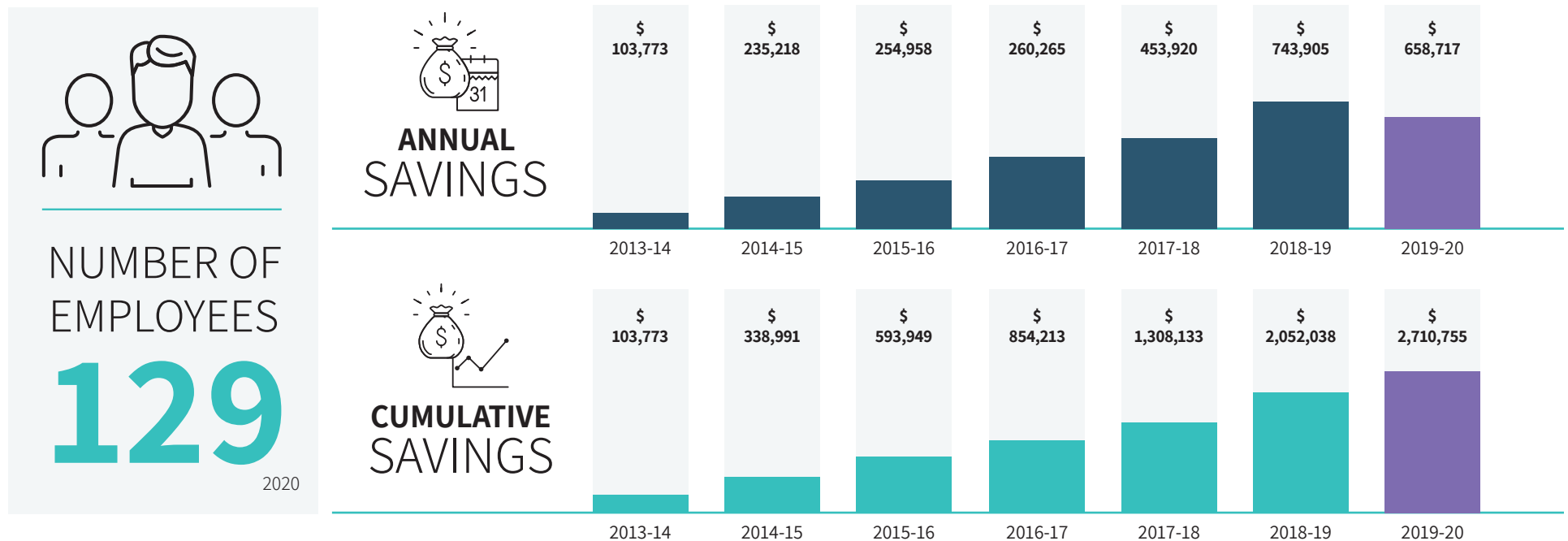
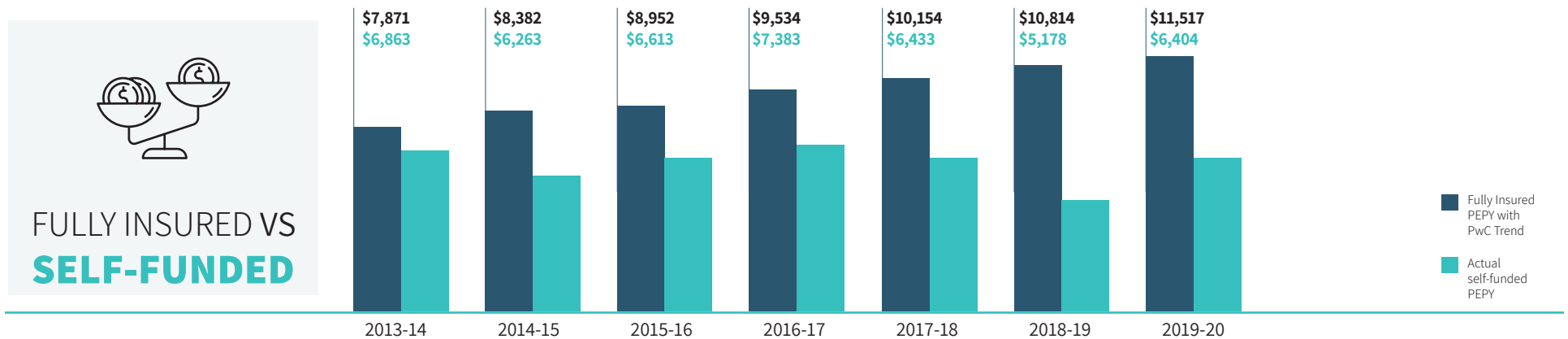
# AUTOMOBILE DEALERSHIP

This is a family-owned business that operates a high end, previously owned car dealership. Like many employers with less than 50 employees, the notion of transitioning into a non-conventional health plan was intimidating. The employees love their new health plan and the employer has been successful “driving” healthcare costs down ... to the tune of \$850k since 2014.



# FOOD PROCESSOR

This national food processor was facing a 35% rate increase with BCBS in 2013. The employer decided to transition into an unbundled self-funded health plan and needless to say, the transition has been an overwhelming success. In 7 years, the employer has saved nearly \$3 million. As a result, the employer has not imposed a single rate increase to the employees and the benefit offering is richer than it was since the move to self-insurance.



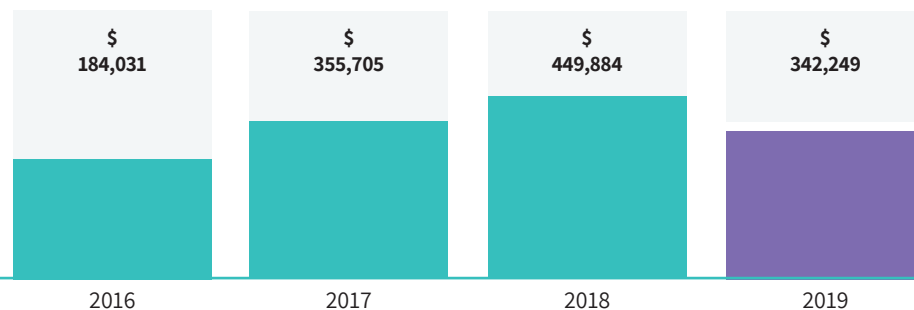
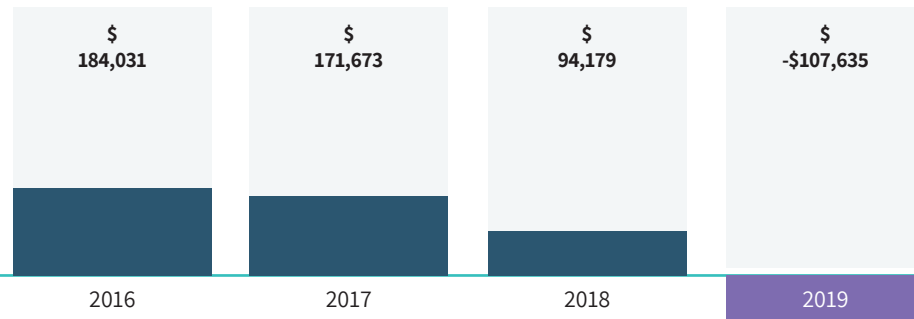
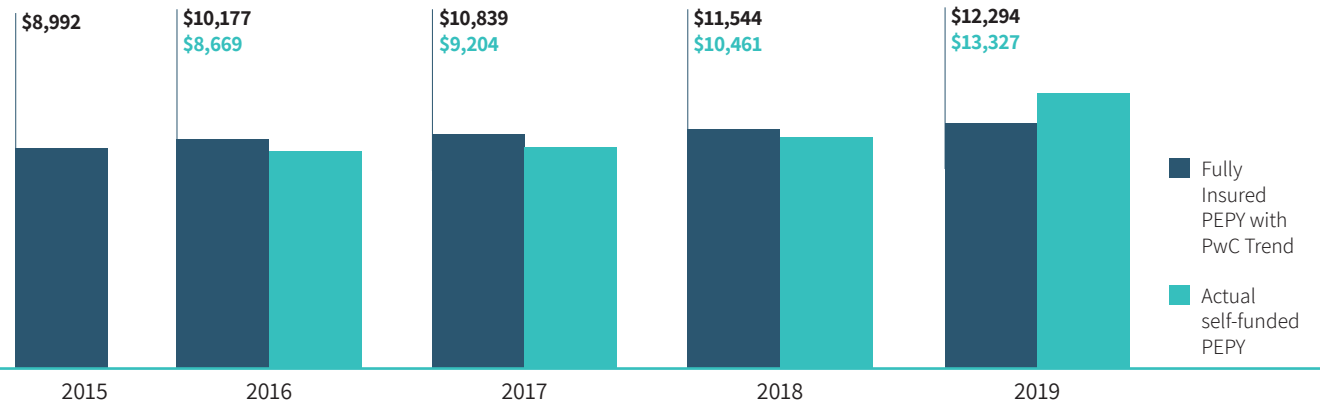
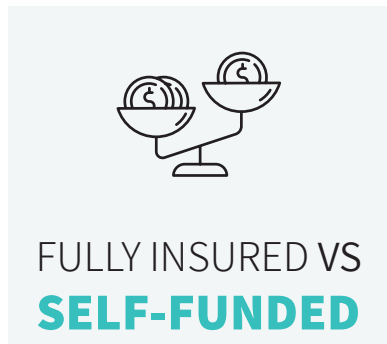
NUMBER OF EMPLOYEES

**129**

2020

# HOME HEALTH CARE

As an employer in the healthcare industry, this firm understands the challenges of providing quality health care services. This community faces a nursing shortage so attracting and retaining employees is critical. Also, nurses are known for taking great care of others ... and not such great care of themselves. This employer learned the benefits of optics, medical management ... as they were able to empower their employees to become great consumers of healthcare. The improved health plan is wonderful for the nurses and the CFO enjoyed "healthy" savings.



Insurance is about pooling risk ... and we've got the cleanest pool in the neighborhood.

**Excel Health Alliance, LLC**  
6080 Falls Road  
Suite 201  
Baltimore, MD 21209  
[www.excelhealthalliance.com](http://www.excelhealthalliance.com)

Better optics, better conversations, better strategies, better results.