



# How to Maximize the ROI of Your Self-Funded Health Plan

As healthcare costs continue rising, CFOs worry they aren't getting what they pay for, and HR teams struggle to design affordable but competitive benefit packages in a tough employment market.

Self-funded healthcare is a proven strategy that is helping a majority of large and mid-sized U.S. employers – and an increasing percentage of smaller firms - to gain more control over healthcare costs while maintaining or improving the quality of care their employees receive.

In this whitepaper, we look at some of the most critical capabilities employers should be looking for in any self-funded healthcare partner.

We explore 3 essential factors your partner should be putting into action to help you to drive continuous plan improvement and maximize the ROI on this substantial and strategic investment.

**3 Essential factors  
for self-funded  
health plan success**



## Taking a closer look at your self-funded health plan

### Medical Cost Inflat<sup>5</sup>

#### Retail drug spending

Between 2020 and 2027, retail drug spending under private health insurance is projected to increase at a rate of 3 percent to 6 percent.

#### Chronic Disease

60% of adult Americans have a chronic disease, 40% are managing two or more. Employer spending on employees with chronic disease is 8 times what they spend on a healthy employee.

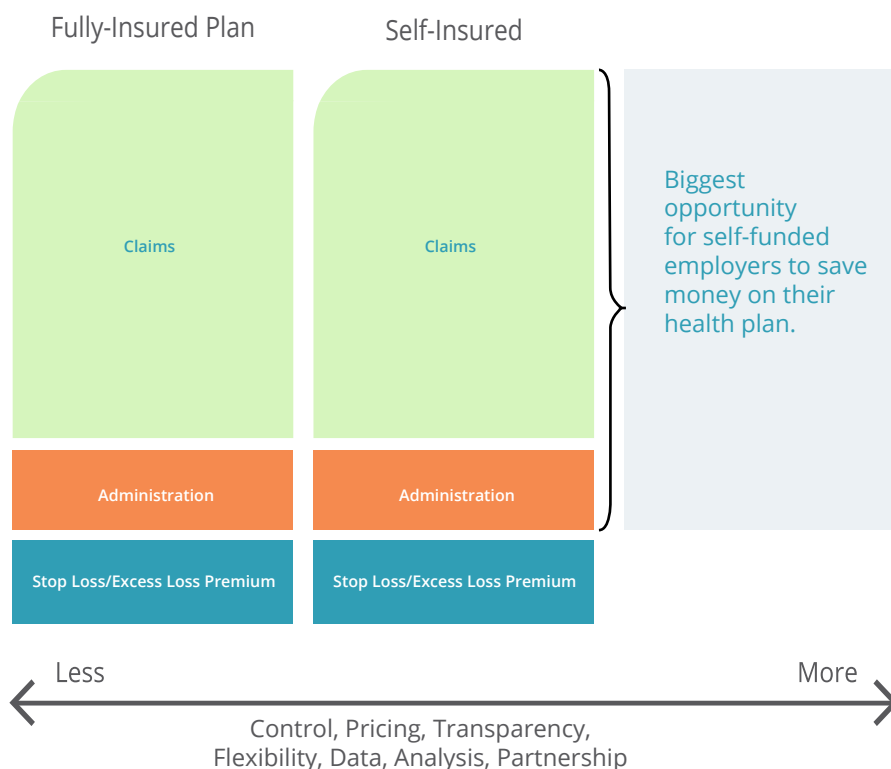
#### Utilization of mental health services

Greater utilization of mental health services. In the long term, employers may find addressing mental health helps control medical cost trends, but spending will rise in the short term.

Self-funded employers know their healthcare plans can give them a competitive advantage when it comes to attracting and keeping good employees.

In fact, more and more candidates tell researchers they value a good benefits package over a slightly higher starting salary. And that is even more pronounced with younger workers – 90% of millennials in a recent survey told Glassdoor they value benefits more than a pay raise.

However, with U.S. private employers spending more than \$1.3 trillion<sup>4</sup> on healthcare in 2019, it's more important than ever for CFOs and HR leaders to re-evaluate whether they're getting all the benefits available from their self-funded plan.



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## Self-funded plans are not all created equal.

Control over plan design, the ability to measure hard dollar savings, and a 360-degree view across critical financial and medical outcome metrics are all needed to get the most out of your company's self-funded plan.

Of course, every employer's specific ROI will vary, but imagine being able to design and revise a healthcare plan based on real-world, real-time answers to some of your toughest challenges.

By getting real control over where health dollars go, self-funded healthcare plans are providing employers and employees with the best possible outcomes. And that gives employers a powerful set of tools to attract, hire and keep the exceptional job candidates you need to maintain a sustainable, competitive advantage.

### Questions to consider when evaluating your self-funded health plan:

- Which gaps in care should we address first to quickly achieve cost reductions while maintaining quality of care?
- How can we accurately target employee lifestyle changes that will help to improve chronic care treatment and control their costs?
- Which offers the greatest ROI: telephonic health coaching, onsite or near-site clinics, customized wellness programs, or eliminating copays and deductibles to improve the utilization of employees' self-care?
- What adjustments will help us maximize those impacts? Which programs should we drop?
- How can we communicate most effectively to keep employees informed and engaged and establish ourselves as our employees' trusted healthcare partner?

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## Maximizing the ROI of Your Self-funded Health Plan: 3 Essential Factors for Success

A proactive partner will communicate directly with your benefits team and employees, often before they are even aware of additional savings opportunities or other recommendations.



How much should I be paying for a procedure?

What provider has the best outcomes?

What can I negotiate with billing departments?

### 1. **Proactive Plan Management:** Make sure someone is watching out for your employees and your bottom-line.

Your employees need – and deserve – help navigating the healthcare maze.

With a dedicated team providing “concierge-level” attention to each employee and every claim, your self-funded partner should be ensuring that you get maximum value for every dollar spent.

Those savings go far beyond network discounts and pharmaceutical rebates.

Our clients’ average annual healthcare spend is 22% below the national average for employer-provided healthcare.

You need independent experts reviewing and auditing every procedure and treatment and guiding employees to the best providers at the right prices in every region. Especially when prices for common healthcare services vary widely across regions and even between facilities located in the same region.

And your healthcare partner shouldn’t be waiting for you – or your employees – to ask for information about claim status, employee health trend data, wellness suggestions, and any other information needed to support your long-term business planning. It’s your data, your company should have unfiltered access.

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## 2. Transparency is Essential: Gain deeper insight into where and how your company is spending its healthcare dollars

It's critical that your healthcare plan management partner helps your employees not only find the highest quality facilities but also the most cost-effective options.

A real partner – one that keeps you in the loop and in control at every step – is truly invaluable.

“Healthgram is fully engaged in our plan. They are listening to us and have the company's and our employees' best interests at heart.”

Without that kind of transparency, employers are investing a large and rapidly growing amount of money into what is effectively a black box where employees don't have the information needed to make the best healthcare decisions.

You don't operate that way for any other business-critical resources, processes and procedures. You rightly insist on the ability to measure whether they're performing as promised - and to make adjustments if they aren't.

Yet, many companies keep doing exactly that every day when it comes to their healthcare investment.



### Cost Variance example based on Charlotte, NC market

#### Market Prices Selected Common Procedures - Charlotte, NC

	Low Price	High Price	Variance
1. Screening Colonoscopy	\$817	\$10,403	1273%
2. Hysteroscopy (with biopsy)	\$1,873	\$18,349	980%
3. Abdominal Ultrasound	\$71	\$848	1194%

Average Market Variance for  
10 Common Procedures - Charlotte, NC

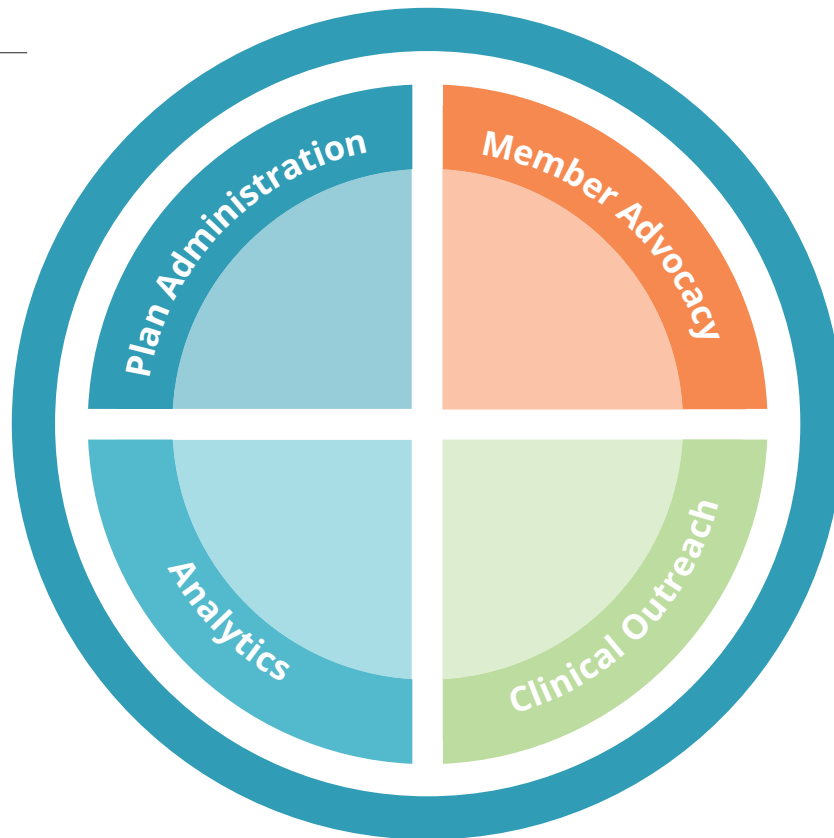
**921%**

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**Working with a truly transparent self-funded healthcare partner will give you a 360-degree view of your plan at work.**



With real transparency, you know exactly what you are paying for.

You can see how your partner is compensated and whether they are making decisions based on your interests or their own. You have access to real-time data and customized reports that deliver the information you need — exactly how you want it presented and when you need it.

With full access to your healthcare information, your company can use the real-time data to gain insights that are actionable immediately; not retrospective.

Your self-funded healthcare partner should go beyond basic summaries. When you spot an adverse trend or a concerning deviation, you need to be able to track down the source of the problem so you can work together to make needed changes.

Access to cost trends, employee health information, utilization data and more allows you to work with a partner to create a roadmap to improved benefits and find even more cost savings.

By working closely with a partner that provides full transparency, you can transform a healthcare black box with no certain ROI into a powerful decision support and planning tool that contributes directly to your growth.

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#### Plan Administration

- Independent, integrated infrastructure
- Active plan management customization
- Complete transparency
- Dedicated in-house team

#### Analytics

- Proprietary technology
- Real-time data and custom reports
- Unobstructed view of plan performance
- Intuitive dashboards

#### Member Advocacy

- Concierge-level support
- One-on-one guidance
- Answers to benefits & billing questions
- Proactive facility Guidance

#### Clinical Outreach

- High-touch claims management
- In-house clinical expertise
- Enhanced employee experience

### 3. Integration is KEY: With a dedicated team overseeing all aspects of your plan, there's clear accountability, less potential for confusion, and efficient streamlined processes.

Integrated self-funded plan partners offer their clients a complete menu of options that range from simple billing review to high-touch case management for major treatments.

Your integrated partner's dedicated expert staff should be in control of every aspect of your plan and how the parts work together; not fragmented or outsourced.

That way, your team can oversee each step, with access to all relevant data and visibility into every step of the process so you know who is accountable.

An integrated, in-house infrastructure allows your healthcare partner to provide a seamless experience and ensures your organization is maximizing the ROI on your self-funded health plan.

A truly integrated, independent healthcare partner offers:

- Complete health plan management with integrated clinical and financial programs
- High-touch claims management
- Comprehensive employee advocacy and one-on-one guidance
- Transparent approach anchored by independent prior authorization that drives employer savings
- Real-time data and actionable insights that give an unobstructed view of plan performance and ROI.
- Protected health information largely stays on one system, reducing privacy risks.

And, of course, as you customize your plan with new options, you'll continue finding savings you can invest into expanding benefits while continuing to improve your healthcare ROI.

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**Full-service integration is key to maximizing the return on your healthcare investment. Consider these examples:<sup>8</sup>**



**Company A**

Analyzed cost drivers to guide plan re-design

**Result:**

Estimated return of \$7.03 on every dollar spent on care management.



**Company B**

Eliminated urgent care and office copays based on ER usage analysis

**Result:**

Saved \$140,000 in year one, reduced costs 50% over three years



**Company C**

Used anonymized data to create targeted wellness program

**Result:**

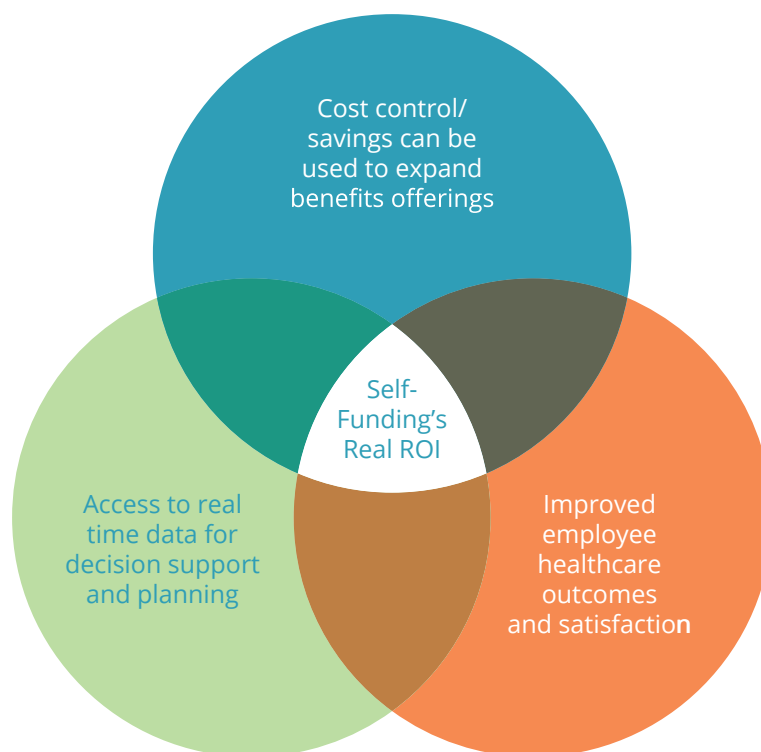
Averaged 16% lower cost-per-insured for chronic conditions over three years

You'll have the tools to customize your healthcare plan and expand your benefit offerings as you gain insight and improve costs.

Integrated plan management keeps your leadership team in control; employees informed, healthy, and productive; and your HR team freed to focus on strategic talent acquisition and development goals backed up with hard data and powerful analysis tools.

Your self-funded plan management partner should work closely with your team to offer a full menu of integrated features and options. That lets you tailor your plan to your employees' actual needs.

- Control over healthcare costs
- Access to the data you need to make better health plan decisions
- And the help you need to optimize employee health outcomes



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## Are you Maximizing Your Self-Funded Healthcare Plan ROI?

“Healthgram reached out to members with serious health concerns to help them manage their care and to assist with claims negotiations. To keep our executives comfortable with their healthcare investment choices and fully informed, Healthgram provided compliance updates, legal expertise, and ongoing plan guidance.

**Results:** A **35%** decrease in medical costs in the first year, **\$450,000** saved on medical claims in the first two years, and costs reduced to **30%** below the national average, SO FAR.”

Self-funding is a powerful solution to the unceasing cost pressure employers face as they work to optimize employee health and productivity, attract new talent to their workforce and protect all stakeholders’ financial interests.

But getting the most out of your self-funded healthcare spending is more than a “set it and forget it” exercise.

It requires a partner who will work with you to design and continually update a plan that addresses the specific needs of your employees in the places where they live and work.

Our firm’s national carrier wasn’t looking for savings beyond network discounts. Healthgram’s proactive approach saved us \$1.2 million in claims cost while improving employee satisfaction.

You need a partner who bases their own business on transparency. You shouldn’t have to ask for performance reports and data analysis that will help you spot more ways to save AND improve your plan. Employees should know that they can access the advice they need to make the best choices, when they need it. And sometimes even before they know they need it.

Your company leadership and your employees should be 100% confident that your healthcare partner’s decisions are based on YOUR needs.

Your healthcare partner should be able to provide you with proof and savings reports that show you where your healthcare dollars are being spent and the impact that’s having on your company’s physical and financial health.

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## Better healthcare demands a fresh approach. Let's design yours.

When your employees are healthier, so is your bottom line. That's why we partner with forward-thinking companies to deliver the very best healthcare experience that also minimizes cost. Take control of your healthcare investment with a comprehensive self-funded solution – driven by data, guided by experts, and customized for your business.

Download our [Solutions Overview](#) to learn how we help companies spend 22% less on healthcare.

[www.Healthgram.com](http://www.Healthgram.com) | 1.800.814.7334 | [Sales@healthgram.com](mailto:Sales@healthgram.com)

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