Wellnecity® | Well. Managed.

Client Asserts Control Over Spiraling Expenses
Gains Ability to Measure Impact of Plan Changes Year Over Year

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"When we first hired you, we just wanted to get visibility into the issues driving our poor performance – now we understand your capacity to impact plan operations is much broader."

Case Study

School

- By Bill Frack, Chief Product Officer

Topics

- Moving from fully insured to self-insured
- Obtaining the data
- Cost increase analysis
- Unbundling the vendor stack
- Data management

Phase 1 – Obtaining Data

Wellnecity had a 3-month window to obtain the data from the carrier and deliver the insights the client and broker team needed to support informed decision-making during the renewal process. The timeline posed a challenge – it was tight for a carrier with limited self-insurance experience – and the stakes were high. The client was contemplating a return to a fully insured program due to the unexplained escalating costs.

Wellnecity's data management team immediately established the connections to capture, clean, and structure the carrier's data to conform with modern standards. Wellnecity delivered results within 2.5 months, before the window closed. Granular insights revealed the cause of the excess spending, and with Wellnecity's support, redressing of the issues commenced.

Hiring Wellnecity

A recognized international school with 400 employees and 800 enrolled plan members recently transitioned from fully insured to self-insured. They were assisted by a broker team with whom Wellnecity was well acquainted. This team advised the school to bundle benefits with a large insurance carrier, except for the Stop-Loss policy.

Unfortunately, out-of-network mental health claims soared soon after the switch. One of the benefits of being self-insured is that employers can access claims data to gain more insight and control over their healthcare spending. The carrier, however, was relatively new to the self-insured market and would not provide this information despite repeated requests. Without claims data, the broker and school were unable to track the performance of their benefits to find out why spending was well above budget. Wellnecity was hired to obtain the data and remedy the situation.

Phase 2 – Designing a New Vendor Stack

Given the negative experience with bundled benefits, Wellnecity suggested a different approach – designing an unbundled "best of breed" plan to improve performance, quality, and affordability. Combining deep knowledge of health plan operations with the data-driven view of the client's membership utilization and needs, Wellnecity worked with the broker team to define a set of five vendor configurations from loosely to tightly managed, informing the client of the pros and cons of each. Wellnecity also contributed substantially to educating the client on the limitations of traditional broad-access health plans that offer more choice, versus options that offer more control.

The client observed that Wellnecity's "informed and objective perspective was important to developing confidence in (their) plan moving forward."

Phase 3 – Implementing a new vendor stack and point solutions

When changing health plan vendors, it's essential to establish data connections as soon as possible to avoid surprises. With the typical flow of information in healthcare, the broker might not see performance-to-budget problems until month 6 or 7 when it's too late to rescue the current financial year. The client's new Third Party Administrator (TPA) offered access to another healthcare analytics tool kit as a solution. Their database, however, lacked historical detail, so the broker and client could not trend against the prior year to see if the issues were fixed. Wellnecity's platform gave them the ability to measure the impact of plan changes year over year.

Continuous Improvement

Wellnecity stabilized operations in less than 3 months and is now leading the charge to integrate incremental point solutions. Wellnecity serves as the information and implementation hub the client and broker team rely on to proactively manage and measure plan performance.