

Transferring Risk, Limiting Liabilities, and Controlling Benefit Costs

How one Minnesota School District Used CompleteCare to Address their High-Cost Claimant Issue

Situation:

Health care costs in the United States continue to be on the rise. And one of the largest drivers of health care expenses are high-cost claimants.

One mid-sized school district in Minnesota with 308 employees was facing high rate increases due to the number of high-cost claimants on their medical plan. The district had four high-cost claimants – two members had \$450,000+ in claims while one participant exceeded one million dollars. The district was looking for a way to curb these costs.

The district is also a member of a Minnesota Service Cooperative, a self-insured pool. The district's high claims, rates, and experience also impacted the Cooperative as a whole. Trying to reign in these claims was important to both entities.

Solution:

CompleteCare was introduced as a voluntary option to their employees in January of 2020. CompleteCare is a medical reimbursement plan that incentivizes employees and their families to enroll onto another employer's health plan (typically their spouse's). Participants can be reimbursed up to 100% of their out-of-pocket expenses including co-pays, deductibles, coinsurance, etc.

The district hoped that their employees (especially the high-cost claimants) would view CompleteCare as a cost effective benefit that could provide them with some financial relief. For some, a periodic doctor bill can be manageable, but for those who have medical issues and are seeking treatment, multiple medical bills can grow into financial hardships quickly. High plan utilizers would financially benefit from electing CompleteCare the most because it would help them cover their numerous out-of-pocket costs.

Results:

After rolling out CompleteCare in January, the district had a 1.62% implementation enrollment penetration. Five employees (with 19 dependent members) in total moved off the district's medical plan and elected CompleteCare – including 1 high-cost claimant!

Over the first six months after implementing CompleteCare, the district saw great savings. From January – June 2020, the district saved:

- \$23,393 in net premium savings (after reimbursements and fees)
- \$41,486 in claims savings
- \$4,401 in out-of-pocket costs for the 5 participating families

Because the district was able to use CompleteCare to shift costs off their plan:

- They are no longer paying claims for those employees/participants that elected to switch plans. And removing one of their high-cost claimants off the plan was a huge savings in itself!
- The renewal has been positively impacted by 2% since implementing CompleteCare.
- Stop-loss insurance fees have the potential to reduce. These fees are factored into the district's pool premium payment which is paid to the Cooperative to cover any high claims that go over a certain percentage or amount.
- It's projected that **the district will save about \$50,000** in premiums and HRA contributions after reimbursements in the first year. The district is confident that they'll achieve more savings through increased participation as new hires come aboard and as more employees/participants elect CompleteCare during the next enrollment period.

CompleteCare Helped the District Transfer Risk Off Their Plan While Adding Value to Their Employee Benefit Package