

Client Reversed 30% YoY Spend Increase

"ARMED WITH WELLNECITY'S INSIGHTS, I WAS ABLE TO GET OUR EXECUTIVE TEAM TO MAKE DECISIONS ON ANNUAL BENEFITS IN 30-MIN THAT PREVIOUSLY WE FOUND IMPOSSIBLE TO GET CONSENSUS ON."



Case Study

Regional Automotive Dealership

- By Tony Giberti, Chief Operating Officer

Topics

- Data Management
- Polychronic Management
- High Emergency Department Usage
- Specialty Rx
- Plan and Vendor Changes
- Evergreen Opportunity Pipeline

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Phase 1 – Measuring Plan Performance

The client and their nationally recognized benefits consultant had previously discussed the need for change but lacked the necessary data to support a plan overhaul.

Having access to the client's medical, Rx, and eligibility data, Wellnecity conducted a thorough performance analysis encompassing both historical and current information. Wellnecity verified the client's observation of the staggering 30% year-over-year cost increases and identified underlying drivers.

Hiring Wellnecity

A sizeable regional automotive dealership initially engaged Wellnecity to integrate, standardize and store their health plan data in a secure and accessible manner.

However, the client found themselves facing significant challenges with their existing health plan. Costs were skyrocketing, the plan was underperforming, health benefits were failing to meet employees' needs, and they lacked visibility into the underlying causes.

Wellnecity was engaged to measure plan performance, gain insight into cost drivers, and recommend strategies to ensure the health plan offered employees the highest quality benefits while putting an end to unsustainable year-over-year spend increases.

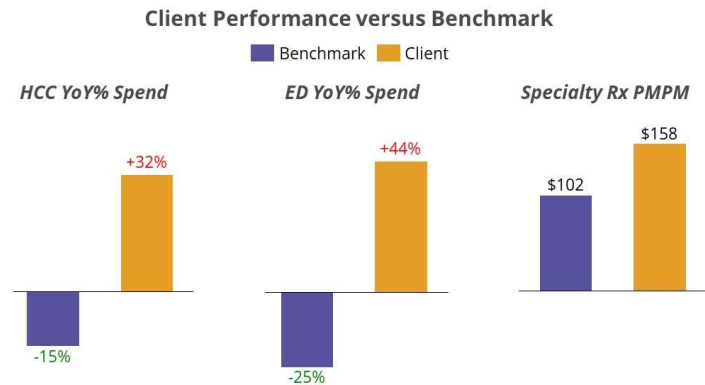
Case Study

Phase 2 – Immediate Improvement with Opportunity Pipeline

While the client and their benefits consultant were focused on overall costs, they lacked visibility into the specific factors driving the increases.

Wellnecity's proprietary Performance Assessment revealed that high-cost claimants, elevated emergency department usage, and substantial specialty pharmacy expenses were among the primary drivers. In each of these areas, the client's trend was notably elevated compared to like size companies over the same period.

Wellnecity detailed how to target each of these key spend areas, with a focus on in-year activities and near-term results.



High-Cost Claimants

Wellnecity proposed offering an ancillary Centers of Excellence (COE) network choice to members with complex care needs to achieve better outcomes and significant cost savings. Estimated annual net savings were estimated between \$400K-\$500K.

Additionally, understanding that managing multiple chronic conditions is complex, Wellnecity suggested focusing on polychronic members. This approach aimed to ensure better management, promote adherence to treatment protocols, and provide supplemental resources as needed.

Emergency Department Utilization

Wellnecity recommended creating a Nurse Practitioner line to facilitate targeted outreach to improved emergency department utilization. This resulted in annual net savings of \$140K. Human Resources identified this as an area of the plan experiencing growth, presenting an opportunity for a member education campaign to focus on the difference between urgent care and ED services.

Specialty Pharmacy Spend

To optimize cost savings, Wellnecity recommended focusing efforts on key drugs impacting a specific subset of members with solutions such as alternative (international) sourcing. Acting swiftly on this opportunity led to immediate improvements in utilization and a verifiable post-rebate savings that exceeded \$200K by actively managing and incentivizing member adoption over just a few months.

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Armed with Wellnecity's insights – and validated by the client's own data – the management team confidently implemented their near-term (Phase 1) changes from the initial performance assessment. With this success, Wellnecity earned the credibility to assist the client with the next phase of health plan management, captured in Phase 2 recommendations, and to fully capture ongoing value from initial recommendations.

Initial Prioritized Opportunity Pipeline for Client

	Issue	Near-term (No regret)	Medium-term (Further discussion)
Medical	<ul style="list-style-type: none"> Continued high HCC spend High emergency utilization and spend 	<ul style="list-style-type: none"> Mandatory COE program ED Care Management Review 	<ul style="list-style-type: none"> Expand quality concierge Implement poly-chronic support
Pharmacy	<ul style="list-style-type: none"> Specialty pharmacy Opaque PBM 	<ul style="list-style-type: none"> Alternative sourcing 	<ul style="list-style-type: none"> Transparent PBM contract Specialty PBM carve-out Manufacturer's assistance
Admin	<ul style="list-style-type: none"> Broker focus Stop-loss 		<ul style="list-style-type: none"> Value-focused mid-market specialist Active stop-loss bidding
		Phase 1 recommendation	Phase 2 recommendation

Phase 3 – Ongoing and Expanded Opportunity Capitalization

The client appreciated Wellnecity's data-driven, independent perspective. As a result of our trusted working relationship, the CHRO reached out to Wellnecity to improve its core vendor configuration – a proactive move that would not have been initiated by the broker/advisor – ultimately engaging a new PBM and switching to a more effective carrier.



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Under a new carrier, Wellnecity was able to realize significant one-time value on stop-loss reconciliation, in addition to the performance savings with a transparent PBM and new TPA.

Meanwhile, the team continued to drive value from evergreen levers through operational excellence. In the case of alternative Rx sourcing, Wellnecity helped implement the program and drive success. Attention to detail and prompt execution resulted in Client being the only company in their national Rx coalition that performs better than benchmarks.

Wellnecity became an enabler of the Client's vendors by providing crucial information that the vendors did not otherwise have access to. For instance, an onsite care vendor lacked the ability to engage members. By leveraging claims data, eligibility information, and eligibility criteria for specific needs such as mental health, hospital discharge, and potential colon cancer kits, Wellnecity played a pivotal role in improving their efficiency and efficacy. One nurse expressed, "I want Wellnecity working for all my clients."

With Wellnecity the Client continues to keep trend to below industry benchmarks (less than +5%) and is a strong advocate for Wellnecity regionally.