Wellnecity®

Streamlined Data • Actionable Insights • Fiduciary Control

The Midyear Health Plan Fiduciary Checkup: What Should You Know (and Do) Right Now?

By Paul Richmond, Chief Commercial Officer, Wellnecity

Most employers receive plenty of reports about their health plan throughout the year, but few can confidently explain what has gone well, and more importantly, what requires action **now**.

Where Problems Tend to Hide

High-cost claimants emerge. Specialty drug utilization shifts. Vendor performance changes. Recovery opportunities are missed.

Most of these issues develop gradually and aren't discovered until renewal or after costs have already occurred and increased. That's too late. What if you had the data and knew about those issues now? You could do something to counteract the issue before the end of the plan year.

Midyear is a great opportunity to identify those issues while there's still time to act. Let's look more closely at what can be achieved when an employer takes action.

Recoveries: Are Dollars Being Left Behind?

Cost containment isn't just about reducing spend. It's about recovering dollars that should never have been lost in the first place.

Here are a few examples:

- For one employer covering approximately 1,800 employees, **we identified more than $1.5 million in stop-loss reimbursements** that had been missed because eligible claims were omitted or misreported by the carrier.

- For another employer, we found more than **$800,000 in access fee overcharges -** an additional hidden cost beyond their reported ASO fees.

- In another case, we identified a **rebate shortfall of more than $1 million** through an independent review of PBM rebate payments.

These weren't isolated anomalies. They were hidden in routine claims activity and vendor processes, unnoticed until someone looked.

These customers and their advisors had a good strategy in place, but without Wellnecity, they didn’t have the granular visibility in the data to uncover these issues.

Vendor Performance: Are Contracts Delivering What Was Promised?
Every vendor contract includes financial and performance commitments. The challenge isn't negotiating them - it's validating that the commitments are being met.

For one employer, a review of how PBM performance guarantees were being applied resulted in a $465,000 recovery. The guarantees were included in the contract, but the expected value wasn't realized until the performance was independently reviewed.

The Midyear Opportunity
By renewal season, many of the trends driving cost and performance are already established. Being able to identify those changes that materially affect cost, risk, and performance prior to renewal is key.

Midyear is your opportunity to recover dollars, validate vendor performance, and address emerging risks before they become next year's problems. Employers can do this with their health plan data. The challenge is bringing all the data together and normalizing it to provide visibility into where dollars are being lost, contracts aren't performing as expected, and emerging risks are developing.

Schedule a 15-Minute Midyear Health Plan Checkup
Discuss the questions every employer should be able to answer before renewal discussions begin. Request a Midyear Checkup by replying to this newsletter or through [Wellnecity.com.]

Explore more insights at [Wellnecity Newsletters].

Wellnecity · 500 W 5th St Ste 502 · Winston Salem, NC 27101-3131 · USA