

HEALTH & WELLNESS CASE STUDY

School District Reduces Healthcare Costs 10% While Providing \$0 Healthcare Coverage

THE SITUATION

After several years of balancing the lose-lose situation of healthcare cost increases and employee satisfaction, **a Wisconsin school district decided it was time to do something truly different to change the trajectory of their future.**

Cottingham & Butler's benefits team pointed out that a leading driver of the district's cost was not the cost per person for insurance, but rather the number of people being covered by the district plan, due to the generous health plan design offered which is attracting the employees' families. **Instead of the district increasing costs for those families or penalizing working spouses, as many other employers would do in this situation, Cottingham & Butler introduced an innovative alternative option to the district, the Family Advantage Health Plan (FAHP).** If an employee selects another employer-sponsored health plan, other than the school district's, the FAHP provides families an opportunity to have 100% of their out-of-pocket expenses paid for by the district, ultimately saving these employees over \$5,000 annually in healthcare expenses, while simultaneously saving the district over \$10,000 per employee. **A true win-win benefit.**

OUR RESULTS

- 1 Immediate Cost Savings**
Given the 20% reduction in enrollment, the district saved \$307,000 in premiums alone that would have been paid to the insurance company.
- 2 Added Employee Value**
For the 90 members enrolled in the FAHP, the district paid \$104,500 in deductible and out-of-pocket expenses, which that now can be used by employees for other expenses.
- 3 Improving Overall Risk**
By aligning risk and incentives, the district dramatically improved the risk of their group and future insurance costs by **experiencing a reducing loss ratio of 116% in 2021 to 65% in 2022.**

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My husband and I have really appreciated FAHP for our family. We have had a lot of medical bills this year and it helped us out a lot! We hope that it's available again next year.

A School District Employee

ENROLLMENT
COUNT DROPPED

20%

IMMEDIATELY, SAVING
\$307K IN PREMIUMS

Cottingham & Butler

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