



**VIRTUE**  
HEALTH



## Greater Performance, Efficiency and Returns from the Investment in Healthcare

### **400-EMPLOYEE HEALTHCARE COMPANY EXPANDING ACROSS THE US**

The client had a Fully Insured program with standard PPO and HMO plans offered by the insurance carrier.

The PPO became too expensive and the medical plan hurdles made healthcare services complicated for the employees.

A new approach proven to work had to be explored.

Implementing a partially Self-Funding plan with the Virtue Stop-Loss program estimated a 20% cost reduction compared to the fully insured premium.

“We cut the deductible in half, got them a larger network across the country and simplified the access to care,” said Redmond Sherwood.

**\$1.95**  
**million**  
Cumulative  
Savings



In addition, we manually reviewed claims typically denied automatically by the insurance company bureaucracy and got them paid on behalf of employees.

As a result of improved design, the actual premium reduction was 28%, or \$1,954,921.60. The cash flow savings enabled the client to invest an extra \$250,000 a month into marketing activities to grow the business without adjusting the budget or getting approval from the board.

**Here are some key points from this case study.**

- Created controls over the claims cost and saved 28% from moving the client to partially Self-Funded healthcare plan
- Cut the deductible in half which was more inclusive and fair for all the employees
- Evacuated the disaster shock claim - an extreme form of cancer - ensuring the best coverage for the employee so they paid nothing out-of-pocket and eliminated the financial stress of a major illness.
- The client wanted to take a big step with mental health coverage, but they could not do that with the Fully Insured plan. Our group set up direct contracts with mental health providers improving access and saving significant money in 2021.
- Reduced the bureaucracy and simplified healthcare processes for employees, which had a positive impact on the healthcare experience and increased the retention of some key employees.
- The client was able to reallocate its capital by preserving its cash flow and profits via claims reduction. Their capital was prioritized to grow the company, instead of enriching an insurance company, preserving the security of everyone's employment.

## ✓ CHALLENGE

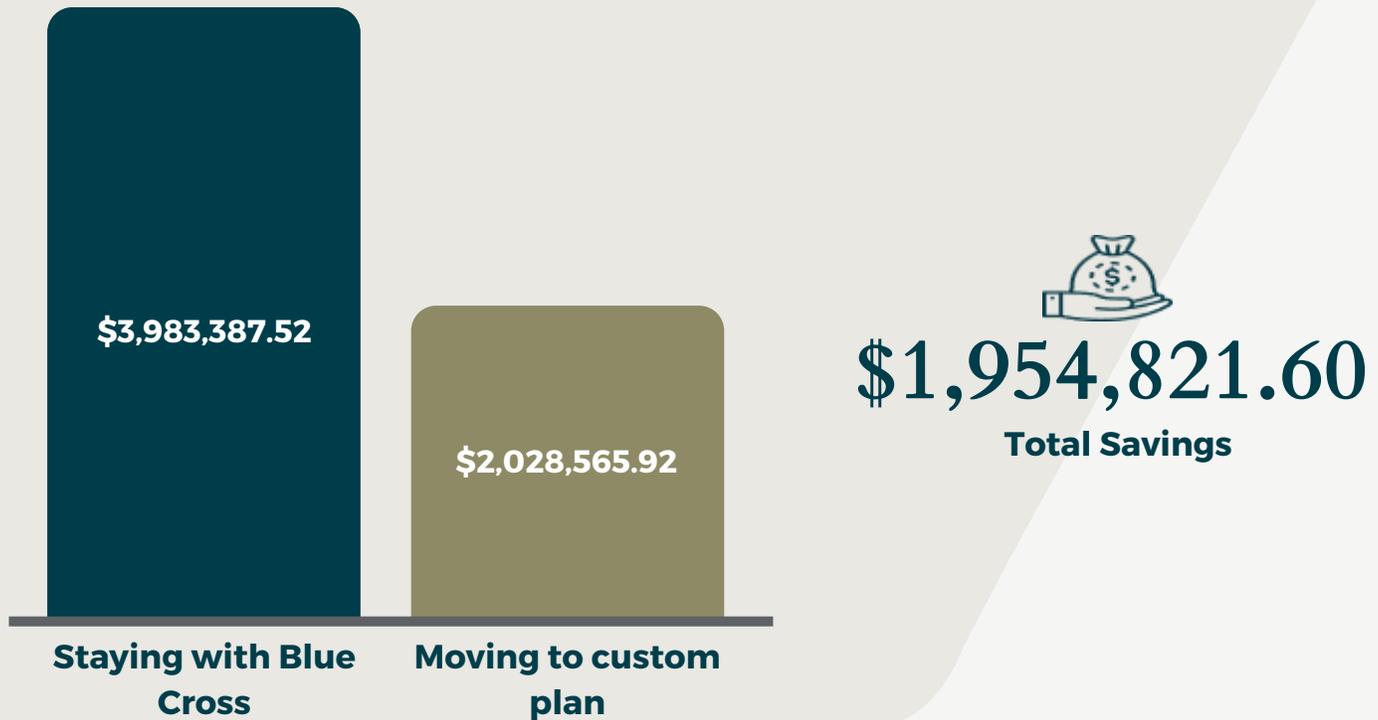
Before we were brought in the client faced a \$2,000,000 increase of an already overpriced Fully Insured plan. The rationale was that the claims were ongoing and the insurance company might lose money.

## ✓ SOLUTION

Our consultants architected a partially self-funded plan to create greater control over the number and size of medical and pharmacy claims while improving the performance of the plan for employees.

## ✓ OUTCOME

Total savings based on reduced premiums, evacuated claims and negotiated provider pricing was \$1,954,921.60. The results: 28% reduction, 50% lower deductibles, improved access to care, simplified procedures and happy employees.



### Reduced PEPY

From \$12,808.32 to \$6,522.72

NATIONAL AVERAGE VS. VIRTUE CONSORTIUM



# How we stack up...

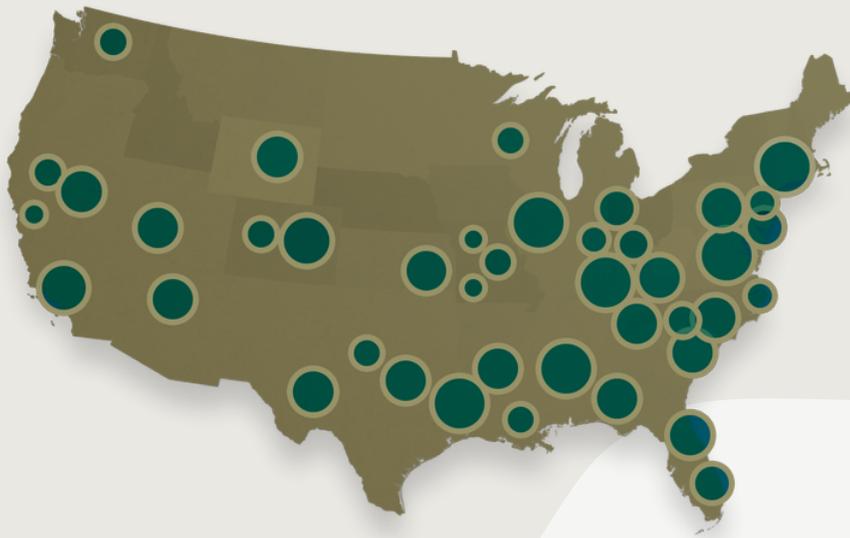
**\$15,500**

NATIONAL AVERAGE PEPY

**\$8,700**

VIRTUE AVERAGE PEPY

## Virtue Consortium



11,750 MEMBERS

84 EMPLOYERS

32 STATES & GROWING

3% AVERAGE RENEWAL

INDUSTRY BEST LOSS RATIO

## Let's Talk

Ready to join the easiest way to manage risk?

Want to find out what you can do with Virtue Stop-Loss Consortium?

Claim your free 30-minute demo with John Sbrocco and Crystal Hoarau.

Click the button below and choose the date / time that works best for you.

**[BOOK A DEMO](#)**

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