Springbuk

The Power of Partnerships: Make Strategic, Data-driven Vendor Decisions

A Springbuk Client Success Story

DIAGNOSE

Carrier Consolidation for Tailored Benefits Solutions

When a multinational technology conglomerate's specialty division separated to form their own entity in the energy sector, they initially inherited the same benefits resources, including vendors, carriers, and consultants.

However, now existing independently, **the energy company's benefits leaders recognized an opportunity to assess their current benefits situation and align their offerings** with their new organization's unique needs, population, and goals.

? The question was: which carrier to choose?

PLAN

The Power of Collaborative Partnerships

It can be incredibly difficult to compare two carriers side-by-side without the aid of a third party. Carriers report on different data points, use different metrics, and apply different logic.

The energy company knew to evaluate options effectively, they'd need a partner to become an unbiased liaison and extension of their team. Through industry connections and collaborations, they began having conversations with Springbuk; and they quickly realized this would become more than a partnership. **With Springbuk, they gained a team of experts that would help them make decisions, backed by data, with their members' best interests in mind, from both a cost and resource perspective.**

Springbuk also gave them the ability to access multiple data sources in a single place and illustrate the full picture of their population's risks and opportunities, along with demonstrated outcomes related to programs.

As the two teams started this project, it was crucial to identify what was most important to the energy company when selecting the carrier of choice. Through conversations with their benefits team, **the Springbuk team learned key data points included:**

- ❯ Carrier costs
- ❯ Carrier/plan efficiency
- ❯ Member outcomes
- ❯ Member experience
- ❯ Member disruption

MEASURE

Strategic Pathways with Data-driven Results

After gaining a clear understanding of goals and metrics, the **Springbuk Analytic and Strategic Consulting (ASC) team** used **Springbuk Advanced Reporting** to build a complete story of both carrier scenarios.

They broke down the following data sets by both plan type and carrier:

- ❯ Enrollment breakdown
- ❯ Demographics
- ❯ Risk adjustment
- ❯ Utilization metrics
- ❯ Condition mix

EVALUATE

Comprehensive Insights for a Data-driven Journey

As the data was sliced and diced in the report breakdown, **the ASC team quickly discovered there were a magnitude of layers within the data.**

On the surface, the decision seemed simplistic and straightforward:

Metric	Carrier A	Carrier B
Overall Enrollment	8,300	11,600
Average Age	37.6 years	36.4 years
Total Allowed Amount	$64 million	$76 million
Allowed Amount PMPM Cost	$637	$546

〉 **Carrier B had a larger population already enrolled, and the PMPM was drastically lower**

〉 Note: the average age was relatively the same and thus not a determining factor in the PMPM difference

However, when adding the additional dimensions of plan-type enrollments and risk scoring to the analysis, the data began to tell a different story:

Metric	Carrier A	Carrier B
Overall ERG Risk Score	1.45	1.08

Metric	Carrier A HRA	Carrier A HSA	Carrier B HRA	Carrier B HSA
Enrollment	6,100	2,200	4,400	7,200
Average Age	39.4 years	33 years	39.7 years	34.5 years
ERG Risk Score	1.69	0.85	1.46	0.85
Actual allowed PMPM	$720	$410	$752	$420
Risk-Adjusted Expected Allowed PMPM	$796	$400	$688	$400

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As the team peeled back the layers, some key data points stood out:

❭ Carrier A was skewed much heavier to HRA enrollment than HSA enrollment (73% to 27%); Carrier B saw a much higher HSA enrollment than HRA enrollment (62% to 38%)

❭ While the PMPMs of the HRA and HSA plan by carrier were relatively the same, the plan enrollment distribution was skewing the overall PMPM by carrier in favor of Carrier B

❭ The risk score of the HRA plans, in general, was much higher than the HSA plans, but even more drastically for Carrier A

Where this all came together, though, was in the risk adjustment:

❭ Considering the HSA PMPMs ended up nearly even between the two carriers, the enrollment and performance of the HRA plans became the focal point

❭ **The team found the allowed amount PMPM for Carrier A's HRA was lower than Carrier B's HRA, and it drastically outperformed what was expected based on the illness burden for this population**

❭ Carrier B, on the other hand, had a higher HRA allowed amount PMPM but, based on the illness burden of the population, should have been much lower

By consolidating all of the energy company's data in one spot (breakdown by plan, enrollment, demographics) and applying the Optum ERG risk scoring methodology to the data, **the Springbuk team provided the insight needed to compare carriers and support future benefits decisions.**

To see how Springbuk can help you **merge all of your information together to uncover hidden stories in your data** so you can make smarter, more informed decisions, visit:

springbuk.com/integrated-analytics