

WINNING THE BID

HOW BOUTIQUE BEAT NATIONAL

THE SITUATION

HEALTHCARE CLIENT

NEW JERSEY

421 EMPLOYEES

One of our broker partners runs a boutique brokerage firm. One of their long-standing clients decided to do their due diligence and invite in a large national brokerage house to run an analysis on market opportunities for renewal.

The employer group is a specialty pharmacy consulting company in the Northeast that was offering a fully insured medical and prescription drug program since 2004 with Blue Cross.

In the midst of a worldwide pandemic, the employer group received a 40% renewal increase from their insurance carrier.

The employer group questioned the merits of such an increase and wanted to understand their claims data and the details of the contracts governing their plan – particularly the pharmacy benefits contracts.

Minimal claims information was made available and the contracts were completely unavailable.

GOALS

CLIENT: Save money and gain transparency and flexibility in the plan.

BROKER: Win the bid. Implement both a short-term and long-term solution/strategy.

\$1.3 Million +

Saved more than \$1.3 million vs renewal

2%

Showed a 2% increase vs current rates

4 Members

Pre-identified 4 members for alternative med & Rx savings programs

BEFORE & AFTER

	Before	After
PROGRAM STRUCTURE	Fully Insured (12 equal premium payments)	Self-Funded
THIRD-PARTY ADMINISTRATOR (TPA)	Blue Cross	Independent TPA
NETWORK	Blue Cross	National Network
PHARMACY BENEFIT MANAGER (PBM)	Blue Cross	Transparent PBM Contract
MEDICAL STOP LOSS	Blue Cross	Resolute Underwriting Strategies
CLAIM REVIEW & MONITORING	None	Franklin Health
PHARMACY OVERSIGHT	None	Franklin Health
DATA ANALYTICS	None	Franklin Health
PLAN DOCUMENT REVIEW	None	Franklin Health
ERISA GUIDANCE & SUPPORT	None	Franklin Health
COMPLIANCE REVIEW	None	Franklin Health
PATIENT ADVOCACY/ ENGAGEMENT	None	Franklin Health
ALTERNATIVE FUNDING PROGRAMS (RX)	None	Franklin Health
DATA ANALYTICS	None	Crumdale Custom Reporting

THE RESULTS

	Incumbent (2020)	Incumbent Renewal (2021)	Crumdale Renewal (2021)
# OF EMPLOYEES	421	421	421
MAX SPEND	\$3,523,773.60	\$4,941,438.36	\$3,624,073.97
SPEND, PEPPY	\$8,370.00	\$11,737.38	\$8,608.24
EXPECTED SPEND	\$3,523,773.60	\$4,941,438.36	\$3,002,914.51
DIFFERENTIAL @ MAX		+ 40%	+ 2%
DIFFERENTIAL @ EXP		+ 40%	-14%

The group saved **\$1.3 Million** @ max vs renewal.

The group received a **2% renewal** @ max and a 14% decrease @ expected.

HOW WE DID IT

THE CLIENT HAD MANY ISSUES WITH THEIR PRIOR **FULLY INSURED BLUE CROSS PLAN**.

- Lack of alignment between carrier and employer
- Zero transparency on medical and pharmacy claims
- No claims management
- Carrier retained all PBM rebates
- No clinical integration
- Little broker or client control

CRUMDALE PARTNERS' DYNAMIC SOLUTIONS ENABLED THE BROKER TO RESCUE THE ACCOUNT AND SAVE THE CLIENT \$1.3M, WHILE CREATING GREATER TRANSPARENCY AND FLEXIBILITY. SOME OF THE MAJOR CHANGES MADE INCLUDED:

- Implemented Crumdale coalition/block pricing across program vendors.
- Assigned an independent TPA with no ties to the network or hospital systems.
- Implemented Crumdale's Fiduciary Shield program to closely monitor prior authorizations for medical services and prescription drugs.
- Analyzed case management notes to engage high-cost claims early in the process.
- Implemented payment integrity for immediate claims review prior to payment by each group to assure that payments were appropriate for the services provided.
- Implemented a coalition-level PBM contract with alternative sourcing opportunities for high-cost specialty drug support integrated within the contract.
- Provided a member-level concierge service to help employees find the best doctors at the most cost-effective price.