

Synolo, LLC (“Synolo”) is a national leader in benefits education, communications, enrollment and benefit design optimization for benefit plan sponsors in employee/member verticals including:

- ◆ Public and private companies
- ◆ Labor Unions
- ◆ City and County Government
- ◆ Educational entities
- ◆ Non-Profit organizations

Synolo provides plan sponsor directed solutions through a national array of local advisors and technology partners to seamlessly address the challenges of the modern workforce.

CASE SUMMARY:

Current Continental client with approximately 386 participants on the plan. After several years of plan changes the group currently has a single plan offering which has increased their out-of-pocket exposure considerably. SYNOLO was tasked with analyzing the plan designs & claims to demonstrate how the plan could save money by shifting risk from the claim pool into a TCM product and improve the employees’ out-of-pocket exposure.

Current Plan Design

Current Deductibles & Max OOP: \$4,000/\$8,000 80% to \$6,500/\$13,000

Labs & X-rays: currently covered at 100%

Emergency Room: \$250 copay

Dr Visits and RX: covered by copay

Case Analysis

Synolo requested, and was provided with, all claims over a one year period as follows:

- 1) All Inpatient and Outpatient claims subject to deductible & Coinsurance
- 2) All Emergency Room claims subject to copay
- 3) All Lab/Pathology/Diagnostic claims paid at 100% with no deductible or copay
- 4) All other services covered by copay were excluded from the request.

The claims report showed the following total payments:

- 1) The claims pool absorbed \$3.5 million dollars on the services listed above
- 2) Employees absorbed \$415 thousand dollars on the services listed above on a 1st dollar basis.

We took a retroactive look at what the effect would have been on the claims pool if the client had made the following changes in the plan.

- 1) Emergency Room claims subject to deductible
- 2) Labs/Pathology/minor diagnostics subject to deductible
- 3) Core plan description changed to reflect a \$6750/\$13,500 deductible then 100%
- 4) DR visits and RX remain in a copay environment.

\$4000/\$8000 Participant deductible remains, 80% coinsurance is eliminated.

Secondary plan pays 100% of the next \$2750/\$5500

Cost of the Secondary plan (fully insured) per current medical plan enrollment for all plan participants including dependents. \$85,000.00

Savings to the claims pool \$395,000.00.

In its most aggressive form, the TCM product could have eliminated the deductible and coinsurance for the plan participant entirely. The cost to fund \$6,000/\$12,000 of the core plan deductible via TCM GAP would be \$575,000, and would have absorbed a total combined claims cost of \$810,000.

