

# SELF-FUNDED SUCCESS

## How To Save \$100K by a2b Fulfillment

a2b Fulfillment is a national leader in order fulfillment and customer care services.

Located in Greensboro, GA, a2b Fulfillment has close to 150 employees, making it one of the largest employers in the area.

Prior to the 2018, a2b offered a fully insured medical plan to their growing staff, and they were usually told during their renewal that they had a very good claims ratio. As is typical with the fully insured model, a2b would still see an increase in their premiums, despite being told their claims were low.

With traditional medical plans, premium increases are small following a good claims year, and much larger after a bad claims year. This means you're paying for last year's claims this year. We call this being deferred, not insured.

For the 2018 plan year, Joe Costa & Associates guided a2b in creating their own self-funded plan, with the intention of taking control of their rising costs. Using industry leading claims analytic tools, predictive modeling, and data analysis, we were able to create a self-funded medical plan that beat the fully insured market.

Premiums for the initial plan year were set to mirror the best fully insured rates, meaning that a2b's medical plan would keep the unused claims dollars that would have otherwise profited their old insurance company.

Through our detailed claims analysis, we quickly realized that Emergency Room claims were a large percentage of the overall claims for a2b. This level of claims transparency, which is not available with a fully insured policy, enabled us to act in real time.

Reduced their  
old fully insured  
premium by

# 20%

Partnering with a2b, we led a series of events to educate their staff on the levels of care available to them, including Virtual/TeleMedicine, Urgent Care, and Primary Care. Each of these were lower cost options in their network, and readily available if the situation was not a true emergency. The education was successful, and a2b saw an immediate reduction in unnecessary ER claims.

At the end of their first year on a self-funded plan, a2b claims were better than any fully insured carrier expected. When compared to the best fully insured plan offered at renewal, a2b was able to save over \$100,000 through claims reduction in their first year through the unique process we brought to them! Instead of growing an insurance company's bottom line, this savings can now be used to benefit their plan in a variety of ways, such as improving benefits, reducing premiums, funding a reserve, and/or providing an on-site medical clinic.

At Joe Costa & Associates, we partner with employers with a long-term vision for success. Results like a2b's are not guaranteed, but they ARE possible. **If you want to get off the annual rate increase roller coaster and create a long-term plan for success, we want to talk to you.**

Moving from a fully insured plan to a self-funded plan with analysis and education from Joe Costa & Associates, led to \$100,000 in savings for a2b Fulfillment.

### ER CLAIMS ANALYSIS

For the first 3 months, ER Claims made up 63% of total medical claims.

With our analysis and education, ER claims dropped over 65%

By the end of the Plan Year, ER made up just 26% of Total Medical Claims.

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