

Cost Savings Powered by Nexben

An employer facing ever-increasing premiums, lack of choice, and complex administration—like so many companies today—sought a more cost-effective health insurance solution. They chose an ICHRA powered by Nexben. Not only did they save, but they increased participation.

"Price is the most important thing in an employer's benefits [package]," said the company's broker. "We were tasked with keeping the price down for our clients. I've had groups move from carriers because of service, so that's a close second priority."

The Nexben Solution

Nexben's Individual Coverage Health Reimbursement Arrangement (ICHRA) solution provides individual plan choice and cost predictability.

Employers can finally take control of their health benefits budget by setting a monthly contribution that helps cover the cost of an employee's premiums. Each employee selects a health plan on the individual market that best fits their needs. And they use the employer's contribution to help pay for it. Any amount above the employer's contribution may be payroll deducted.

Enrollment advocates ensure employees shop with confidence and support—working with employees to explore, compare, and select the benefits at no cost to the employee or employer.

"They were ready to test the waters with a new benefits package," said the company's broker. "We knew what their premiums were and that the employee cost on the group platform was very high; they needed cost savings."

The Nexben Solution makes administration simple. From making premium transfers to every insurer with a single click to ongoing management and employee enrollment, the Nexben platform makes it easy.

"We built and input the contribution strategy into the Nexben platform. So, an employee knows exactly what amount the employer is contributing before they start shopping. And then, they can decide to go up or down from that," the broker pointed out.

The employer worked with their broker to set up the contribution strategy and launched the plan with their employees. Not only did the employer realize **cost savings of 50.3%**, but they also **increased participation in the health plan by 8%**.

COMPANY OVERVIEW

- Industry: Residential Property Management
- Headquarters: Minnesota
- Locations: MN, ND, SD, WI
- Benefit Eligible Employees: 170

KEY CHALLENGES WITH PRIOR PLAN

- Funding Type: Full Insured
- Renewal Month: November
- Enrolled Employees: 100
- Employer Premium Costs: \$1,238,071
- Employee Premium Costs: \$332,040
- Total Annual Premium: \$1,570,111

COMPANY GOALS

- #1. Reduce cost
- #2. Unique contribution strategy
- #3. Offer greater choice to employees

The Results

- #1. Reduced the overall costs by 50.3% or \$789,894
- #2. Employees selected 33 different benefit plans with seven different carriers. Employees were finally able to truly choose the right price, features, and network for them. Participation in the health plan increased from 100 to 108 employees.
- #3. Enrollment advocates helped the employees shop, compare, select, and enroll in a health insurance plan that best fit their needs.



The Financial Results*

	PRIOR PLAN	NEXBEN'S ICHRA	SAVINGS	% CHANGE
Employer Premiums	\$1,238,071	\$618,892	\$619,179	50.0%
Employer Other Cost	—	\$60,000	(\$60,000)	—
Employee Premiums	\$332,040	\$101,325	\$230,715	69.5%
Total Cost	\$1,570,111	\$780,217	\$789,894	50.3%

Noteworthy Key Metrics*

Prior plan rates reflected do not include the projected renewal increase, so the **actual employer savings was in excess of 50%**!

Employees saved an average of \$2,307 per year due to the lower premiums and greater choice of health plan options.

The employer saved an average of \$5,592 per covered employee.

*Financial Results and Key Metrics summaries assume 100 employees (vs. 108) for comparison purposes.

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