

SUCCESS STORY

Employee benefits case study

Semblex embraces new focus on consumerism and health savings account participation

The challenge

Semblex is an automotive fastener supplier and manufacturer in the Chicagoland area. Semblex provided employees a robust health insurance benefits plan designed to attract and retain talent. However, with an above average number of dependents and high utilization, Semblex saw a substantial increase in their claim expenses. The company had been working directly with a carrier, so decided to see if working with a broker would bring savings to their current health insurance program.

The solution

Semblex selected Marsh McLennan Agency (MMA) to formulate a strategy focused on cost containment, and support to their HR team with account management, carrier evaluation, wellness, employee education, and compliance. MMA prepared a summary of losses and included benchmarking data with a detailed list of recommendations. This analysis was the foundation for the action taken to position Semblex for cost control without sacrificing a competitive benefit offering.

A bronze level Health Savings Account (HSA) option was introduced, while a legacy Exclusive Provider Organization (EPO) plan was phased out. They worked on increasing participation in the HSA plan designs to save money for both employees and the organization. The lower premium coupled with a higher deductible limit kept employees from paying for coverage they rarely use, putting a larger emphasis on prevention and the true cost of health care. One prevention tool utilized was biometric screenings, which increased 14% in the first year. Semblex also helped reduce the number of smokers through tobacco cessation programs, as smokers cost employers an additional \$5,128/year/person in health care costs and lost productivity, according to the CDC.

The result

Through Semblex's initiatives and employee education, HSA enrollment rose in one year from 24% to 59%. With their implementation of biometric screenings, this increased 14% in the first year. In addition, Semblex implemented a dependent eligibility verification program validating the eligible status of each dependent on the plan. Due to a well-developed strategy, strong partnership and precision in the execution, Semblex successfully reduced employee per month (PEPM) costs by \$430 or 32% over a two-year period.

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Client profile



Manufacturing company

\$430

per employee per month
(PEPM) savings

14%

increase in biometric screenings

35%

increase in Health Savings
Account (HSA) participation
in one year

Learn how MMA's Employee Benefits advisors can help your organization obtain measurable results.

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