Cost Containment Without Cost Shifting

Company Overview

This mid-sized employer was facing another year of significant health care cost increases. Renewal projections indicated a double-digit increase, creating pressure to reduce expenses while maintaining a competitive benefits package.

Key Challenges

Like many organizations, leadership was concerned about the impact additional employee cost-sharing would have on workforce morale, retention, and recruitment. The company wanted to control spending without simply transferring more costs to employees.

MBA Solution Presented

Rather than increasing deductibles or employee contributions, we suggested that management consider focusing on identifying opportunities to improve plan efficiency. Our team analyzed claims data, reviewed pharmacy utilization patterns, evaluated vendor performance, and examined opportunities to improve employee engagement with existing healthcare resources.

Several targeted changes were implemented, including enhanced prescription management strategies, expanded preventive care outreach, and improved employee education regarding cost-effective care options.

Measurable Results

Within the first year, the organization successfully reduced projected healthcare spending growth while maintaining employee contributions and core plan design. Employee satisfaction remained stable, preventive care utilization increased, and leadership avoided the disruption often associated with significant plan design changes.

Key Takeaway: Cost containment and cost shifting are not the same thing. While increasing employee costs may provide short-term budget relief, sustainable results often come from improving plan performance, increasing efficiency, and helping employees become more informed healthcare consumers.