

From a Rich Plan to the Right Plan

Company Overview

One of our mid-sized clients with 130 employees realized that being more generous doesn't always mean being more effective. We helped them realize that a strategically designed plan — less “rich” on paper — delivered stronger employee satisfaction, better utilization, and a more sustainable cost structure.

They offered plans with very low deductibles, minimal office visit copays, high employer contribution levels, and limited employee cost-sharing. While employees appreciated the plan, utilization patterns and claims data suggested the organization was paying substantially more than necessary without seeing measurable improvements in employee engagement, satisfaction, or health outcomes.

Key Challenges

At renewal, the employer was facing another double-digit increase. Leadership initially feared any plan changes would create employee dissatisfaction or disrupt retention efforts. However, a deeper analysis revealed several issues:

- Employees were largely disengaged from how healthcare dollars were being spent
- Many were overinsured in areas they rarely used
- Preventive care participation remained inconsistent despite the rich design
- The employer was absorbing escalating costs with little strategic control

The organization needed to reduce long-term cost pressure without creating the perception that benefits were being “taken away.”

MBA Solution Presented

Rather than suggesting broad reductions, we directed the company to shift toward a more balanced and intentional plan structure. Key changes included moderately higher deductibles, adjusted copay structures, a continued emphasis on preventive care coverage, and protection against catastrophic exposure.

We suggested they add Voluntary and Gap coverage including Accident coverage, Hospital indemnity plans, and critical illness protection. We then designed some employee education material and stressed regular communication focused on helping employees understand their benefits.

Measurable Results

Within the first year, the company achieved several meaningful outcomes. They:

- Significantly reduced renewal pressure
- Improved long-term cost predictability
- Increased participation in voluntary benefits
- Provided greater employee understanding of healthcare decisions
- Minimal disruption to retention and recruiting efforts

Most importantly, leadership realized they did not need the richest plan to remain competitive. They needed the right plan — one that aligned with both workforce needs and financial sustainability.