



# Success Story

GPS guides RHA Health Services to savings without sacrificing benefits offerings

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RHA Health Services offers a comprehensive network of support services for people with intellectual, physical and developmental disabilities and those with behavioral health needs or substance use challenges. Founded in 1989 in North Carolina, RHA has grown into a leading service provider with over 5,000 employees across North Carolina, Tennessee, Florida and Georgia.

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Facing cost increases and other financial pressures, RHA Health Services turned to Lockton to take a more strategic approach to its employee benefits program. The objective: keep net costs steady from 2017 to 2018 while maintaining the current benefits proudly offered to employees. Despite ever-increasing healthcare costs, the Lockton account team helped RHA navigate the path to robust yet cost-efficient offerings through Group Plan Strategy (GPS).

As an existing Lockton client, RHA Health Services was familiar with Lockton's resources and processes. In 2017, RHA was ready to utilize those resources and shake things up with more creativity around benefit options within its existing budget. As a service-oriented company, RHA looked to Lockton to make changes that showed support and compassion for its staff, despite limited financial resources.

To do this, the Lockton team utilized Group Plan Strategy (GPS), a proprietary tool that demonstrates a company's current plan position, financial opportunities and any possible friction to employees associated with those opportunities. The result is a more impactful and strategic discussion regarding the current and future state of the company's health and benefits programs.

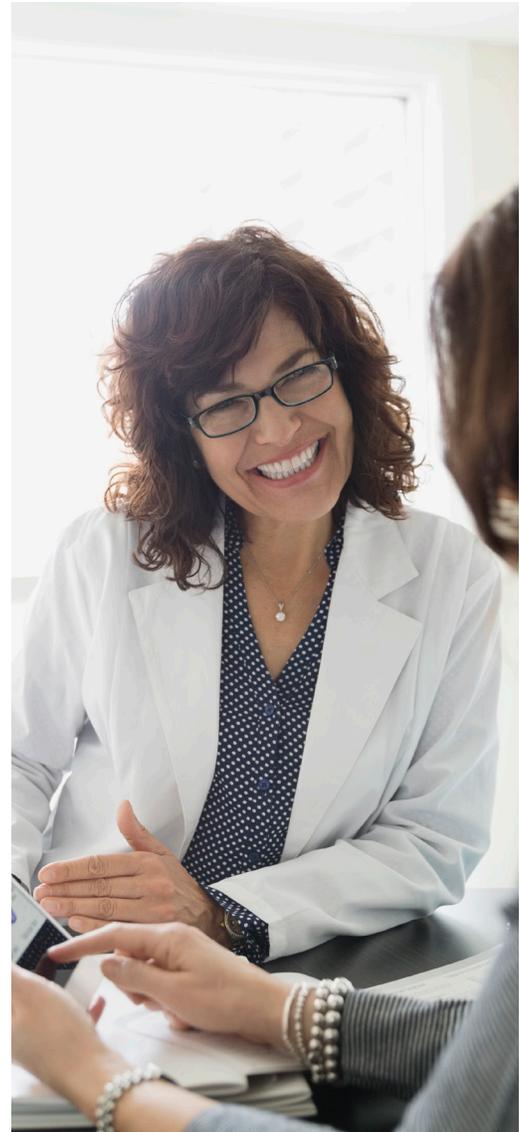


Lockton led a group of RHA decision makers, comprised of the HR and benefits teams as well as the CFO, through a strategic planning session with the GPS tool. The roll-up-your-sleeves working session lasted four hours during which the Lockton team led a live modeling session using the GPS modeling tool. Together they discussed more than 65 tactics in the following areas:

- Purchasing efficiency.
- Eligibility management.
- Health risk solutions.
- Participant cost sharing.

The collaborative GPS exploration session helped the decision makers within RHA prioritize and strategize benefits offerings that fit the organization. For each idea, the group was able to collectively consider employee friction and potential cost savings. The discussion ruled out many tactics that were not appropriate due to company culture, size, funding and locations; some tactics were ruled out simply because they were not the right balance of savings versus anticipated employee friction.

Lockton worked closely with RHA to identify a final list of tactics to deploy over the next three years. The result was a benefits plan that carefully considers how much administrative bandwidth RHA had to implement the programs.



*The hands-on session with Lockton allowed us to dive deep into the process and consider factors we hadn't thought of. The GPS tool gave us a way to prioritize potential offerings in a logical, long-term sequence. We were able to develop a strategic plan that met cost savings goals while balancing the needs of our employees."*

- Denise Turner, Vice President of Human Resources at RHA.

RHA's three-year plan is in the first year of execution.

2018

Opportunity	Execution	Result
<ul style="list-style-type: none"> <li>Data revealed RHA had a high prevalence of diabetes.</li> </ul>	<ul style="list-style-type: none"> <li>Removed barriers to accessing proper care by engaging diabetes management vendor and covering cost of diabetes medication for employees.</li> </ul>	<ul style="list-style-type: none"> <li>Positive reaction from all employees, and those with diabetes appreciated the reduced out-of-pocket cost.</li> </ul>
<ul style="list-style-type: none"> <li>Remove ineligible dependents from plans.</li> </ul>	<ul style="list-style-type: none"> <li>Completed a dependent eligibility audit using benefits administration vendor.</li> </ul>	<ul style="list-style-type: none"> <li>Removal of 5 percent of dependents from plan.</li> </ul> <p>*Results not final.</p>
<ul style="list-style-type: none"> <li>Convert employees to less rich, lower cost medical plans.</li> </ul>	<ul style="list-style-type: none"> <li>Incentivized migration to lower cost medical plans by changing contribution scheme from a traditional 4-tier rate structure to a modified 3-tier rate structure.</li> </ul>	<ul style="list-style-type: none"> <li>20 percent of employees migrated to the less expensive plan.</li> </ul>
<ul style="list-style-type: none"> <li>Explore cost options through RFI.</li> </ul>	<ul style="list-style-type: none"> <li>Worked with Lockton's Stop-Loss Center of Excellence to conduct a competitive RFI.</li> </ul>	<ul style="list-style-type: none"> <li>Reduced premiums in CY2018 for the same stop-loss deductible level as prior year.</li> </ul>
<ul style="list-style-type: none"> <li>Discover pharmacy benefits management (PBM) contract opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>Identified opportunities in PBM contract to negotiate better provisions.</li> </ul>	<ul style="list-style-type: none"> <li>Incumbent PBM revised contract and pricing terms, resulting in \$650,000 in savings over the three-year contract length.</li> </ul>