

London Health Administrators

Case Study: “Health Plan Outsourcing”

Business of Focus: National Chain located throughout New England

- *Health Plan Enrollment = over 11,500 employees*
- *Health Plan paid by the Taft-Hartley Trust*

2004 - Health Plan Problem: At the time of their 2004 health plan renewal, the National Chain wanted to control their healthcare expenditures from their self-insured health plan, so they want to see the savings by moving to a fully insured plan. When the quotes were delivered, the rates were not within the client’s budget. Although the National Chain liked the idea of decreasing the financial risk of self-insuring their employee’s healthcare services, they did not approve of the fully insured quotes from the insurance carrier.

2004 - Health Plan Solution: In order to achieve the main goal of decreasing the fully insured health insurance rates, London Health Administrators partnered with a major regional insurance carrier to outsource portions of the health plan’s administration processes. London took on the administrative tasks of dental claim adjudication, medical and dental eligibility, short-term disability, and COBRA administration. Through outsourcing, the insurance carrier had less tasks and lower operating expenses, therefore was able to lower the premiums of the National Chain’s fully-insured health plan that helped the client reach their 2004 health plan financial goal.

** Disclaimer: London cannot provide real names of clients and their health plan specifics based on client’s confidentiality agreement **