

# Two Years on an Exchange Brings Continued Cost Savings and More Employee Choice

**Company:** A New Jersey-based ambulance service with 70 employees including EMTs, registered nurses, drivers, and dispatchers.

## Why They Switched to a Private Exchange

The Company was looking for a long-term solution to offer more benefits choice to fit the diverse needs of their workforce, while at the same time moving to online enrollment and controlling the rising cost of Medical insurance.

## Employees appreciate more choice

### Prior to the Exchange (2013)

The Company offered employees one Medical plan only, an HMO.



### With the Exchange (2014)

The Company offered 8 Medical plans, along with 8 ancillary benefits. Employees elected all Medical plans, primarily mid-range HMOs. For the first time, employees also chose from 9 ancillary plans, favoring Vision (56%), Life (47%), and LTD (40%).



### With the Exchange (2015)

The Company offered 8 Medical plans, along with 8 ancillary benefits. Employees enrolled in 7 different Medical plans. Participation in Vision, LTD, STD, and Pet insurance continued to increase from 2014.



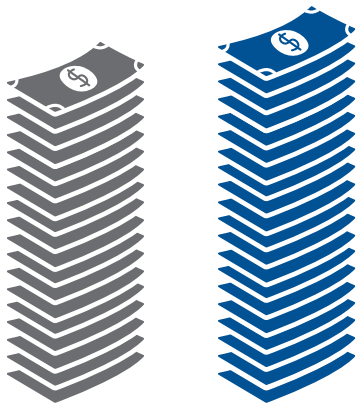
Year 1 Enrollments	New Benefits	Year 2 Enrollments
56%	Vision	60%
24%	Accident	21%
15%	Critical Illness	11%
47%	Life Insurance	47%
40%	Long-Term Disability	47%
13%	Short-Term Disability	14%
10%	Pet Insurance	14%
10%	Telemedicine	8%



## Cost control year-over-year

### Without the Exchange

The Company was facing a rate increase\* for Medical insurance from their existing carrier.



\$539k

Medical premium cost in 2013

\$593k

Annual renewal for 2014 had they done the same old

### With the Exchange (2014)

Medical insurance premium cost was 7% lower than it would have been had they accepted their carrier's increase. The combined total premium of Medical plus new ancillary benefits was lower than the anticipated cost of Medical only without the Exchange.



\$552k

Medical premium cost for employee choice plans

\$29k

Vision, Life, LTD plus 5 additional ancillaries

### With the Exchange (2015)

The cost of Medical premium in year 2 on the Exchange is still 3% less than the anticipated 2014 Medical cost without the Exchange. Additionally, the Company saw just a 5% Medical premium increase from year 1 on the Exchange.



\$578k

Medical premium cost for employee choice plans

\$30k

Vision, Life, LTD plus 5 additional ancillaries

## Takeaways from two years of experience on the Exchange

### More cost control for the Company.

The defined contribution strategy helped the employer budget their benefits costs. The Company is well positioned for cost control in year 3 and beyond on the Exchange.

### More choices for their employees

The year-over-year increase of employee enrollments in ancillary benefits demonstrates appreciation for the additional benefit options. This trend should continue into the future, and the Company can explore adding or adjusting benefits to meet the needs of their employees.

\* Assumed increase: 10%

