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Case Study: Benefits Engagement

Executive Summary

Navigating employee benefits in a climate of hyper-inflationary healthcare costs presents a complex challenge, particularly within unionized environments where expectations are high and negotiations are delicate. To address rising costs without compromising employee satisfaction, I introduced a redesigned, modern benefits package for the whole company. By aligning strategic cost-containment measures with targeted employee value, the initiative achieved **10% net cost savings** while driving a **~50% new plan uptake rate** across a demanding, partially-unionized workforce.

The Challenge

The organization faced severe pressures in managing its annual healthcare and benefits spend while preserving benefits satisfaction among change-sensitive union members during a successor contract negotiation year:

- **Escalating Costs:** Out-of-control market rate increases threatened budget stability and long-term financial forecasting. The initial renewal offers came in close to a 30% total YOY increase to benefits costs.
- **Complex Stakeholder Expectations:** A discerning, high-utilization, unionized workforce required a comprehensive plan that maintained high standards of coverage without appearing to compromise benefits quality or increase out-of-pocket burdens.

The Solution

A tailored benefits strategy was designed to balance rigorous financial management with strong union alignment and clear communication to ensure continued sustainability of our benefits offerings:

1. **Tailored Plan Architecture**
    a. Developed a modern, value-oriented, unified benefits structure for a cost-conscious, not-for profit organization that was designed specifically to address the unique healthcare priorities of a population with a significant number of high-cost healthcare consumers as well as a unionized subset.
    b. Championed the introduction of a HDHP option with a higher premium subsidy and guaranteed HSA employer contribution to incentivize employees toward more cost-effective plan options and intentional care choices, in addition to encouraging engagement by offering more than one plan choice.

2. **Strategic Labor Alignment & Communication**
    a. Integrated feedback from union committee representatives during the design phase to align on plan design goals, strengthen trust, and ensure the package met the high workforce expectations.
    b. Rolled out an engaging communications initiative that focused on educating employees on the differences between the PPO and HDHP plan options, providing calculators to help employees make the best decision for themselves and their families, and generally being transparent and forthright with information throughout the rollout, helping employees understand the true value and advantages of the new plan option.

Key Results & Impact

10%
COST SAVINGS

Reduced the total organizational benefits renewal increase by **10%**, successfully mitigating market trends of runaway cost increases without cutting essential coverage.

Achieved approximately **50% employee adoption** for the new plan option in the initial rollout, demonstrating high trust and engagement across the workforce.

~50%
NEW PLAN UPTAKE

- **Strengthened Labor Relations:** Delivered a win-win outcome that satisfied union members while safeguarding company financial resources.

- **Sustainable Foundation:** Created a scalable benefits model equipped to absorb future market volatility and premium increases.

Key Takeaways

Successfully controlling benefits costs in a challenging market doesn't necessitate compromising on quality, and such a compromise might be untenable when a workforce is unionized with high expectations for the company's benefits offerings. By combining thoughtful and intentional plan design with proactive union alignment and effective employee education, I achieved a meaningful benefits renewal cost reduction while building stronger workforce engagement in and satisfaction with the company's benefits offerings.