



CASE STUDY

A growing mid-size company saves \$1.7 million and improves employee satisfaction by offering innovative health plans from Sidecar Health.

Executive Summary

A rapidly growing mid-size company was seeking innovative ways to lower its healthcare costs. After reviewing several health insurance options, the company offered Sidecar Health alongside a traditional plan for their 2022 plan year. Over 90% of employees adopted the Sidecar Health plan and the company has saved more than \$5,500 per employee. More importantly, employee satisfaction has increased as members enjoy the benefits of the innovative plan design: see any doctor, the ability to keep any savings between the Benefit Amount and the provider's cash pay price and concierge-level member care.

Situation

A growing mid-size company historically offered a generous suite of benefits to recruit and retain its employees. But by 2021, the company was spending nearly \$17,000 per employee per year, and its health plan was one of the biggest expense lines on the company's P&L.

"It was frustrating, because we had no idea what was driving up the costs," says the CFO. We had offered a PPO Zero Plan (no deductible), and by 2021, that wasn't even an option – the next best thing was a PPO 300 Plan (\$300 deductible). More and more, carriers are asking us to push costs to our employees.

Despite the costly outlay, employees weren't especially satisfied with the company's health plan offerings. "We offered a gold-plated traditional PPO plan, as well as an HMO, with a very generous contribution," says the HR leader. "Despite the choices, most employees were only somewhat happy with the options."

Solution

After investigating several options, the company decided to offer Sidecar Health along with a traditional insurance plan.

The company offered two Sidecar Health designs: 1) an HSA compatible plan and 2) a \$0 deductible plan. Both were still less expensive than the traditional plan offered as an alternative.

During open enrollment, the company conducted multiple demonstrations of the Sidecar Health app and website so that employees could get a feel for how the plan works and gauge benefits for common services. They also encouraged team members to call their providers to determine what they charge when they are paid directly, which providers often call the "cash" or "self pay" price. "We got a lot of feedback that providers were happy to take cash, and that the prices were lower than expected," says the company's Chief Marketing Officer. "In fact, my primary care doctor charges below the Sidecar Health Benefit Amount for my annual checkup, so I knew my first doctor visit of 2022 would result in getting cash back."

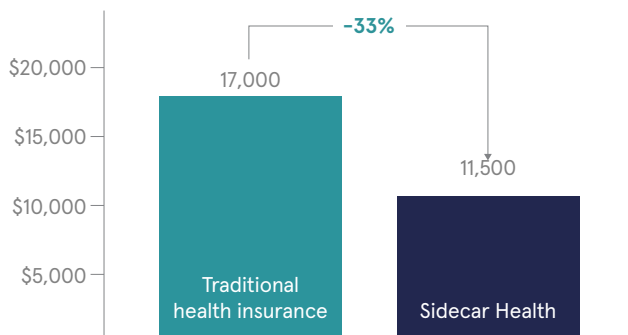
In the end, more than 90% of employees selected the Sidecar Health plan, which was double the expected number. Enrollment was straightforward since it connects to leading benefit administration platforms like Ease, which the company used for the transition.

	Benefit Amount	Provider charge	Member portion
Recent transactions			
Cymbalta, generic, QTY 30	\$15.00	\$17.49	\$2.49
Diagnostic colonoscopy (facility, doctor, lab)	\$1,237.00	\$1,021.00	(\$216.00)
Metabolic blood panel	\$87.29	\$56.19	(\$31.10)
Psychotherapy (45 mins, first session)	\$173.81	\$150.00	(\$23.81)
Radiologic examination, foot	\$644.28	\$679.00	\$34.72
Telehealth visit (migraine)	\$142.48	\$65.00	(\$77.48)

Results to date

Thus far, the Sidecar Health plan is generating 33% savings per employee compared to the previous plan. Not only is the company saving money, but employees are also accessing care at a greater rate than they had on a previous traditional plan. “We didn’t think it was possible to both save money and improve access to care,” says the CEO. “For example, we are seeing mental health services being accessed twice as much as on our old plan. But it’s true across the board.”

Average annual premium per employee

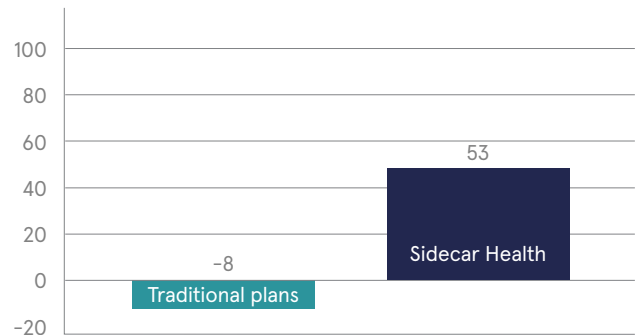


Unlike traditional plans, the source of the savings isn’t in erecting barriers to care or shifting costs to members, but rather cash prices. This gives Sidecar Health plans a structural advantage since they pay the lower cash prices that providers often offer, which academic studies have estimated are 40% lower than prices negotiated by traditional insurers.

More importantly, employees are energized by the plan. “We can see any provider we want, which is amazing,” says a Senior Marketing Director. “But this is the first time I have ever made money by getting healthcare. I literally just went to a podiatrist, had a great experience, and then got \$179 back because the plan’s Benefit Amount was more than what my provider was charging.”

To date, 58% of transactions are at or below the Benefit Amount, and the average interaction with the healthcare system nets each employee a \$24 savings.

Likelihood to recommend (net promoter score)



Not only are they making money, the employees give Sidecar Health a Net Promoter Score (NPS) of 53, far above the -8 median for health insurers. Another differentiating aspect of the Sidecar Health plan is the member care and claims teams. “The member care people go above and beyond, a human answers the phone and they help me find providers, get paperwork, and explain the benefits for various services,” says a member of the finance team.

Average claims processing time	Percent of calls answered in 10 seconds*
2.5 days	90%

*During Member Care hours

The Road Ahead

The company is on track to save \$1.7 million this year and employees are happy with their plans. “The reception has been really strong,” says the head of HR. “We are considering making Sidecar Health the only option in future plan years.”

Case study savings are reflective of an employer-sponsored plan moving from a fully insured health plan to a self-funded health plan with ASO services provided Sidecar Health Insurance Solutions. Premium costs, savings, and plan experience may vary. Contact Sidecar Health for additional information regarding this case study or to receive a quote.

By creating a system anchored in transparency, where members choose their own doctors and pay a cash price at the time of service, we've created coverage that saves money while simplifying pathways to care. Simply put, we are reshaping healthcare to put people in the driver's seat of their health decisions.

We are changing healthcare.
Come join us.

Visit sidecarhealth.com

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