

Head Start of Washington County Discovers \$116,487 Annual Savings in Healthcare Plan

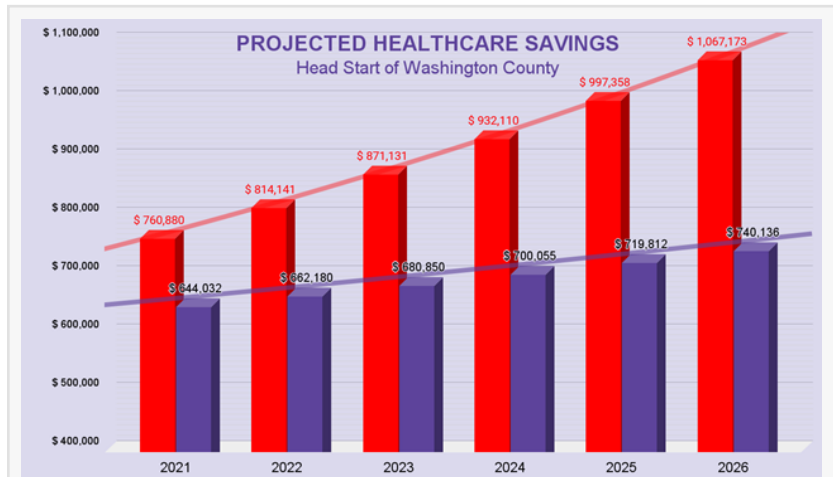
Taking steps to implement innovative changes to its employee healthcare plan saved 13% on benefits

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/EINPresswire.com/ -- Vicki Robinson knew taking the reins at [Head Start of Washington County](#) would mean she would be making weighty decisions about her employee healthcare plan – which accounts for 10.1% of the agency’s total budget – but she never imagined she could find a way to save 13% on healthcare benefits equaling \$116,487.

“Wow,” said Robinson, who took over as Executive Director in 2019, after calculating the cost of what she spent the previous year on healthcare and what she would have spent in 2021 if she had not changed strategies. “As Executive Director, I want to support my employees especially at a time when we all need our healthcare. My main goal was to maintain free healthcare for our employees and not change providers/insurance carriers.” How did Robinson make such impactful changes to the plan? Courage.

Knowing she had to address the issue or face budget cuts or reductions to



Projected healthcare savings for Head Start of Washington County. Red – Status Quo: Maintaining current healthcare costs. Purple – Courage: Making changes to healthcare plan.

30-second summary:

- Taking new steps to implement innovative changes to its employee healthcare plan, Head Start of Washington County saved 13% on benefits.
- The long-term projected savings -- \$1.2 million over five years -- means the program could be able to direct extra money to needed program improvements, including potentially increasing salaries.

30 second summary of changes to the Head Start benefit plan.

the plan, she brought in the [MillenGroup](#) to conduct a comprehensive Cost Modeling Analysis of the Head Start of Washington County's healthcare plan spend.

John Millen, Co-Founder and Managing Partner of the healthcare advisory firm in Richmond, VA, said they began by comparing the Head Start plan to peer plans, looking at both cost and coverage.

"We identified approximately \$100,000 of overpayment towards healthcare annually," Millen said, adding that he noticed consolidation of the four plan options would also help Robinson's budget as well as using a more effective Health Savings Account funding mechanism. They also implemented their highly vetted \$0 Deductible Solution. The results were dramatic:

- \$116,487 in first year savings
- \$1,295,729 in five-year cumulative savings
- Reduced their medical deductible from \$3,000 to \$0
- Reduced four plan options to just one comprehensive plan

Robinson said her staff did not balk at the changes. "They all clearly understood we had to do something different. We all waited with bated breath to see what we would be dealing with and the MillenGroup's plan was very well received."

Head Start of Washington County's healthcare plan for 2021 cost 6.9% less than 2020. That means Robinson will be able to use the savings for employee incentives – to keep her employees in this tough employment job market – and to boost up some of the Head Start programs, aimed at helping low-income families with such services as early childhood education, expectant mother programs, family advocacy programs, mental health, and nutrition programs among others.

If the savings continue, Robinson said she would like to look at making much needed program improvements, including potentially increasing salaries.

"As a non-profit, we knew the Head Start program could only absorb a 5% healthcare increase each year," Millen said. "But in 2021 they were looking at a 7.1% increase and they were told that was the best that could be done. We knew that was unacceptable and had to help them find the other 2%."

"Anytime you can free up money in the budget is good," Robinson said. "Something John said really resonated with me. He said this was about having the courage to do something different."

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