

Healthcare Workers Want Lower Healthcare Costs, Too

Healthcare employers are exploring different options to reduce costs to cover medical benefits

RICHMOND, VIRGINIA, UNITED STATES, June 28, 2022 /EINPresswire.com/ -- Despite being part of the healthcare system, healthcare providers struggle with finding affordable and flexible medical benefit plans for their employees, just like all employers.

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For several years, we've seen our cost rise and rise and rise. Even being in the healthcare field, we were asking, 'What is happening? Why is this happening to us?'"

Tracy Causey, CEO of CAHN

[Capital Area Health Network](#) in Richmond, VA, is a Federally Qualified Community Health Center under the Health Resources Services Administration, offering access to quality care for the uninsured and the under-insured, Medicaid and Medicare patients, and anyone in the community who needs access to care.

CAHN has a robust network offering primary care, pediatrics, mental health, dental and healthcare education

at six locations throughout the Richmond area with 140 employees, roughly 70% of whom are on the healthcare plan. Last year, the organization saw just over 14,000 patients.

"They have employees, and they have a benefit plan just like everybody else," said John Millen, [MillenGroup](#) co-founder/managing partner. "And just like many employers, they were struggling to keep up with the rising cost of healthcare for their employees."

"For several years, we've seen our cost rise and rise and rise. Even being in the healthcare field, we were asking, 'What is happening? Why is this happening to us?'" said CAHN CEO Tracy Causey.

"We were trying to offer healthcare to our employees, and we wanted to make sure they could afford the healthcare plan, but it had become an issue."

Causey said the size of CAHN put it at a disadvantage when dealing with healthcare insurance companies.

"Being a small to a medium employer, that sandwiched us in a way. The health insurers had an advantage over us. We really couldn't negotiate or have a meaningful conversation with the

insurance company as to why our healthcare costs were as high as they were.”

And high they were, CAHN saw annual double digit increases for its employee health plan year after year. Looking for ways to reduce costs, Causey and his team began to investigate options ranging from becoming self-insured to joining a state association that might reduce costs. They found a solution with MillenGroup, an independent employee benefits advisory agency based in Richmond.

CAHN was purchasing what is called a Retail healthcare plan, where an employer purchases a preset package of services for employees. The first step to helping reduce the up to 50% increases in cost was to move to a customized plan, or a Wholesale healthcare plan.

John Millen explained, “We moved Capital Area Health Network to a situation where they purchased healthcare insurance on a wholesale basis, taking pieces of coverage that fit its particular employee population’s wants and needs. The customized plan acts like any other plan, but in actuality it is a partially self-funded medical plan instead of a fully insured plan.”

Using artificial intelligence (A.I.) to develop a risk profile of Capital Area Health’s employees, MillenGroup customized the plan without having to go through extensive employee surveys or individual medical questionnaires.

“The A.I. risk profile included modeling of the employee demographic’s health characteristics to determine risk. That cutting-edge technology allowed us to get pricing for insurance that very specifically fit their needs,” Millen explained.

The other significant advantage CAHN has is that they were accepted, and invited to become a member of, a private risk-sharing consortium of employers who work in tandem to control claims and cost with more buying power.

“The major thing we learned in this process is that we can control a lot of our costs ourselves,” Causey said. “We are encouraging our employees, like we encourage our patients, to live healthier. That was a very important moment in this process. Also, we did not know that we could piecemeal a plan together.”

Causey said much of the savings came from building a healthcare plan based on what his employees needed rather than just the package the insurance company offered. “We could pick and chose offerings and understand what those offerings mean to our organization. And we no longer overbuy.” That meant an immediate reduction in the monthly premiums.

“The employee contribution to the plan is less now and we are getting more benefits. We were overbuying and not getting exactly what we need. Now we are buying exactly what we need, and our employees feel that,” Causey said.

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