

Nonprofit uses cost strategies to improve employee health — and its bottom line

Organization: **Children's Friend**

Location: **Providence, RI**

Number of employees: **420**

Serves: **Vulnerable children and families in Rhode Island**



Situation

- Children's Friend had been seeing double-digit health benefit cost increases year after year
- Employee health care engagement was low
- As a nonprofit with limited salaries, Children's Friend sought to offer a quality health plan without passing costs on to employees

Action

- Children's Friend switched from a fully insured plan to a self-funded plan administered by UnitedHealthcare, giving them more flexibility to manage costs, expand wellness programs and improve employee engagement
- This more strategic plan design helped encourage more informed health choices, which lowered costs
- Children's Friend staff created wellness incentives to engage employees and their eligible covered family members in healthier activities and lower their out-of-pocket costs

Results

\$2M+ in health care cost savings since 2016

\$0 increases in employee health plan contributions since 2006

3.5% projected reduction in total fixed costs for 2022-2023

Caring for employees like family

As the oldest child welfare organization in Rhode Island, Children's Friend has a long history of caring for the state's youngest and most vulnerable population: children who lack permanency in their lives, victims of abuse and neglect and those living in poverty, which make up about 90% of those they serve.

That deep commitment to care extends to their employees, too.

"We believe kids grow and develop best when they're in a strong and stable family," says President and CEO David Caprio. "We try to recreate that strong family environment for our employees here at Children's Friend." As a human services nonprofit, Caprio says that people are both its biggest asset and biggest expense: 75% of the Children's Friend budget goes to salaries and benefits.

Outside of salaries, health insurance is the biggest line item on many employer budgets. The economy is pressuring employers to reduce expenses, such as by cutting back on health benefits or shifting the cost of those benefits to employees.¹

After teaming up with their broker and UnitedHealthcare to implement effective benefits strategies, Children's Friend doesn't have to do either.

"Being able to have control over those health benefits costs is extremely valuable in delivering on our mission."

David Caprio
President and CEO
Children's Friend

Taking a strategic approach

To help control rising health care costs, in 2016, Children's Friend switched from a fully insured health plan to a UnitedHealthcare-administered self-funded plan built around the primary care provider (PCP) relationship.

Children's Friend employees and covered family members are incented to build a close relationship with their PCPs through benefits like \$0 copays for using network UnitedHealth Premium[®] providers and 24/7 Virtual Visits. Plus, the group is engaging with their PCPs at a high rate—wellness visits are 30% higher than average, and Premium provider usage is 12.9% above the norm.²

This approach works to deliver both better health and lower costs. According to research, members engaged with a PCP had 10% lower costs than those who didn't, due in part to better health choices, such as seeking care at a clinic instead of an ER, filling and taking medications as prescribed and getting recommended preventive screenings.³ Built-in clinical strategies are also designed to help identify and engage at-risk employees, such as those with type 2 diabetes, in programs built to help them get healthier.

Inspiring wellness

"Something that makes our health plan unique is all of the wellness benefits that we've added over the years, like a weight-loss program and second-opinion services," says Benefits and Employee Experience Manager Julie Colangeli.

Wellness incentives also help lower costs for the group. Employees have their deductible waived if they complete 5 healthy activities during a certain timeframe. Children's Friend also has a wellness committee of about a dozen employee volunteers, who coordinate free wellness activities for their colleagues.

To help staff cope with the stressful kind of work they do and the mental health toll of the pandemic, behavioral health benefits include an Employee Assistance Program and 3 no-cost counseling sessions a year.



Working together for better results

A successful health benefits strategy like this one is no accident. At regular meetings, Children's Friend staff discuss claims trends and employee survey results with their broker and UnitedHealthcare team to fine-tune their plan and benefits.

"They know us, they know our people, they're on our wellness committee," Caprio says. "We don't go into those meetings where they tell us we have to increase our employee copay because that's not going to happen. Instead, it's more of a conversation: 'Here's an idea, here's a strategy, here's a new tool we have.'"

The result of that ongoing collaboration is a benefits package that keeps getting better—one that Children's Friend is proud to offer to its close-knit family of employees.

"Our benefits package is one of the most important things that Children's Friend does. It's really part of our commitment to making Children's Friend a great place to work."

Julie Colangeli
Benefits and Employee
Experience Manager
Children's Friend

Learn more

Contact your broker, consultant or UnitedHealthcare representative



¹ U.S. employers double down on controlling healthcare costs, enhancing affordability. Willis Towers Watson, 2022.

² Children's Friend Executive Performance Report, 2022 Annual Review.

³ UnitedHealthcare 2018 and 2019 data comparing risk adjusted PMPM savings for members engaged with a PCP vs. members not engaged with a PCP.

This case study is true. Savings calculated on book-of-business case rate savings for these programs. Savings for enrolled members are case specific. Results will vary based on client-specific demographics and plan design. Results will vary depending on the state where the insured policy is issued and the amount of engagement by employees.

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