



## **MHCSI Client Case Study for Group Benefits Plan**

### **Brief Organization Description**

- This organization has plan membership of over 1000
- This plan membership is a mix of both union and non-union employees

### **Business Situation**

This organization was faced with rising costs of providing a competitive health benefits plan to its members. They had previously moved from a fully insured to an Administrative Services Only or ASO Program (also often referred to as a “self funded” program) and had changed their benefits provider.

When costs continued to escalate, they went looking for a multiyear health benefits solution that would provide them some degree of control over costs.

### **Other Factors**

A thorough utilization analysis for this organization had determined that they had a high chronic disease burden with high usage of Cardiovascular Drugs, Antidepressants and Anti-inflammatory Pain Relievers.

### **Solution**

This organization chose MHCSI through a competitive process in 2000. The program was launched within 30 days to its more than 1000 members for the 2001 benefit year.



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### Contributing Factors to Success

- Using the preferred provider network resulted in claim cost and utilization management by optimizing:
  - o Generic substitution
  - o Using 90 day supplies of maintenance medications
  - o Network cost advantages
  - o Formulary design and management
  - o Trial prescriptions
  - o Therapeutic substitution
  - o Comprehensive audits
  - o Drug utilization reviews
  - o Medication assessments
  - o Disease state management
- MHCSI consulted on plan design. This helped the plan sponsor to keep the benefit comprehensive with reasonable access and cost share.
- Members participated in the Workplace Health & Wellness Clinics and Education Seminars offered by MHCSI at no additional charge to the client.

### Benefits

- Reduced spending of \$1.73 million was achieved in the first 4 years of the program. These savings were achieved based on a 20% actual cost increase compared to the industry increase of 60% during this same time period.
- 12.1% savings were achieved in year 1 versus the industry.
- For additional information refer to charts on page 3.

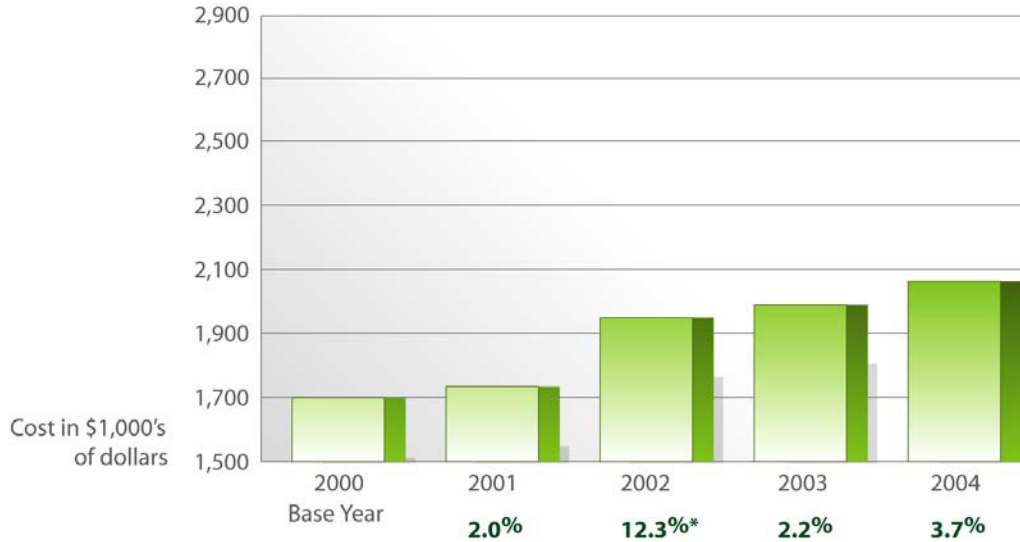
### Comparative Analysis

To determine how much you could save with MHCSI we offer a Free Comparative Analysis. We will put together a drug benefits profile for your company as if you had been using our plan. To request your Comparative Analysis call Leanne MacFarlane at 902-481-7112 or visit our website at [www.mhcsibenefits.ca](http://www.mhcsibenefits.ca)



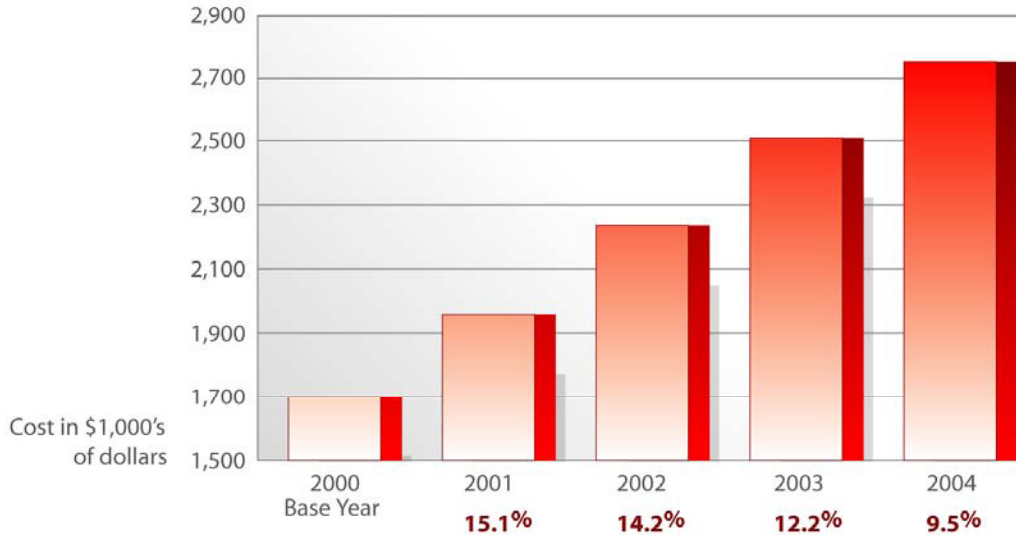
## MHCSI Client Case Study for Group Benefits Plan

**Client drug benefit costs using MHCSI**  
year over year % increase



**21.5%**  
INCREASE

**Client drug benefit costs using Industry Averages**  
year over year % increase



**61.6%**  
INCREASE

**RESULTS:**

The 21.5% increase in costs with MHCSI versus the Industry increase of 61.6% resulted in this client saving over **\$1.73 million dollars**.

\*Note: The trend observed for this client in 2002 is a result of unexpected norms (i.e. new cancer diagnoses and transplant-related claims)

**\$1.73**  
MILLION