

# USHealth Administrators LLC

## Reining in Costs to Retain Employees



USHealth Administrators LLC is a subsidiary of USHealth Group, Inc. and an insurance holding company based in Fort Worth, TX, that focuses on providing innovative insurance products for self-employed individuals and small business owners.

In the early 2000s, CEO and Chairman of the Board for USHealth Group Ben Cutler served on the board for America's Health Insurance Plans (AHIP). He was a firm believer in consumer-driven health care and one of the pioneers of health savings accounts (HSAs). Ben also had a goal: to show that a consumer-driven HSA-qualified health plan could work and save money (even when the company contributed a portion of the HSA balance), and to use his own company to prove it. The result: in 2005, USHealth Administrators LLC moved from offering its employees a traditional PPO to offering a qualified health plan and HSA.

### Transitioning to Success

USHealth Administrators LLC utilized multiple tactics to make the transition a success. Not only was Ben a firm believer in the change, he ensured the company had a solid plan and a safety net that offered an advance on employees' contributions in case of high health costs.

Jan Fogg, USHealth Administrators LLC's vice president of human resources, made sure to educate employees about the HSA. She developed scenarios and showed employees how the HSA would work and, most importantly, how it could save them money. "Everyone was a novice, including me. The education part was very critical. While it was a little rough until people got the hang of it, people love it now," Jan said.

Ben, Jan, and USHealth Administrators LLC also ensured that the shift to an HSA-qualified plan was a gradual one. Before adding the HSA, the company paid a higher portion of its employees' health insurance costs. By equalizing the costs to the company and to employees over years rather than all at once, employees were able to get used to the idea of paying more of the share themselves.

### A Positive Administrator Experience and Outcome

To administer HSAs for its employees, USHealth Administrators LLC choose HealthEquity. "They're excellent. They have some very good people there. Brian Miskovitz specifically was helpful and knowledgeable," Jan said.

For USHealth Administrators LLC, the move to a qualified health plan and HSA has been a success both financially and for employees. "We've definitely realized savings," Jan said. "Not many companies can say costs were flat over a six-year period, but we can."

### CHALLENGES

- To show that a consumer-driven HSA-qualified health plan could work and save money
- To show employees that an HSA could work for them and save them money

### SOLUTION

- Introduce an HSA at your own company
- Proactively educate employees
- Make an employer contribution to employees' HSAs
- Offer an advance on employees' contributions in the case of high health costs
- Make the shift to an HSA a gradual one

### RESULTS

- Flat health care costs for six years
- Satisfied employees
- An 82% adoption rate for HSAs
- Healthier employees who are more engaged health care consumers

### QUICK STATS

- **Industry:** Accident/health insurance
- **Total employees in US:** 145
- **US employees enrolled in HSA in 2010:** 120

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— Jan Fogg  
Vice President of Human Resources  
USHealth Administrators LLC



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## Adding Wellness to Help Ensure a Successful Approach

USHealth Administrators LLC introduced a wellness program not long after it launched its HSA-qualified health plan. The goal of the program was to further reduce the company's health care costs and to show employees that the company was serious about working together to tackle rising costs.

Under the program, employees earn incentives for participating, and reward dollars are deposited into their HSAs.

The program has paid off with employees who are healthier and many who are committed to eating better. "The program makes it better for everybody as far as the bottom line. We've seen claims go down," Jan said.

## Real Results

USHealth Administrators LLC has realized results from its HSA-qualified plan and wellness program with employees with healthier habits and fewer insurance claims. "Today many employees are much more engaged health care consumers," Jan said.

USHealth Administrators LLC as a company has benefitted with virtually flat rates since 2004. "Show me a plan where the employer in 2011 is spending per employee what it spent in 2004," commented Bill West of USHealth Administrators LLC's HSA administrator HealthEquity.

USHealth Administrators LLC employees have benefitted from the flat costs too. Today, they pay only 3.5% more for health insurance than they did in 2004. And employees' average HSA balances are almost \$4,000 more than in 2004.

### Results Snapshot

Year	2004	2005	2006	2007	2008	2009	2010	2011
Employee cost for insurance	1,654	1,913	1,888	2,181	2,393	2,540	2,895	3,276
Employer cost for insurance	5,238	5,532	5,254	5,522	5,758	5,723	5,592	5,459
Total cost for insurance	6,892	7,444	7,142	7,702	8,150	8,263	8,487	8,734
% Increase		8.01%	-4.06%	7.84%	5.82%	1.38%	2.71%	2.92%
Employee premium		70	80	83	90	83	70	
Employee/child premium		46	40	36	35	30	26	
Employee/spouse premium		21	19	18	17	20	17	
Family premium		26	20	19	19	20	21	
Company HSA contribution per employee		1,942	2,890	3,096	3,181	3,124	3,134	
Employee HSA contribution per employee		342	836	1,060	1,384	1,295	1,666	
HSA interest earned		4,646	9,213	13,104	21,960	21,759	16,239	

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—Jan Fogg  
Vice President of Human Resources  
USHealth Administrators LLC

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