



BENEFITS BY DESIGN (BBD) INC.

# ASO CASE STUDY

## Formulary Protect Plus:

A Solution to Eliminating High-Cost Specialty Drugs

### Results:



#### Significant Savings on Drugs

Reduced drug claim costs by close to **\$70,000 annually** and further discounted stop-loss fees.



#### Employee Support

Employee support through **Coverage Navigation Services** with ClaimSecure to find alternative solutions in coverage.



#### Simplified Administration Solution

**One administration solution**, combining multiple carriers and benefits to meet their specific needs.



# CASE STUDY

## ✓ One Awe-Inspiring Not-for-Profit

The health of its community members has been the focus of this not-for-profit company for over 40 years.

**As the employer of over 150 plan members, they had a well-established employee benefits program to support their employees' physical and mental health needs.**

Based on past advice, this not-for-profit moved from funding their plan through an insured arrangement **to a self-funded Administrative Services Only (ASO) arrangement.** They also increased their stop-loss threshold from **\$10,000 to \$25,000 per individual** to provide further cost savings.

## ✓ Navigating Unexpected High-Cost Drug Claims

New medication costs became a part of the ongoing costs for many employees. Claims costs went **up by over 40% in one year**, putting this not-for-profit's employee benefits plan in jeopardy.

Returning to a fully-insured model or switching carriers would not be easy for them. They had high-cost drug claims and worked within an industry that is at high risk for disability.

To get ahead of having unmanageable expenses, they reached out to see what solutions they could find.

**They needed a unique employee benefits plan.**

## ✓ A Solution Focused on Savings

Their Advisor understood the priority of keeping these valuable employees whole and not leaving anyone behind. An employee benefits plan that took care of the high-cost drug claims was a **priority that most insurers could not handle.**

By implementing **ClaimSecure's Budgeted ASO with Formulary Protect Plus, a special drug program**, this not-for-profit could divert high-cost drug claims to alternate funders, such as coordinated benefits plans, provincial programs, and drug manufacturer programs. Employees gained full support with the program's Clinical Navigation Team, from filling out the application, answering their questions, right down to providing them their solution.

**Implementing ClaimSecure's Formulary Protect Plus could potentially save the not-for-profit around \$70,000 a year** while still ensuring their employees get the coverage and support they need. As a bonus, the not-for-profit could go back to a **\$10,000 stop-loss threshold and even receive reduced stop-loss fees for adding on the Formulary Protect Plus program.**

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## Reaping the Rewards

**ClaimSecure's Budgeted ASO with Formulary Protect Plus met the not-for-profit's health and dental claims processing needs.** However, there were still the pooled benefits to consider (Life, Accidental Death and Dismemberment, and Long Term Disability coverage). Having multiple carriers meant duplicate entry for new hires, changes, and terminations as well as billing, which could lead to errors, extra admin work, and liability issues.

**Benefits by Design (BBD) Inc. was chosen as the third party administrator (TPA) who could bring together ClaimSecure's Budgeted ASO with Formulary Protect Plus and pooled benefits through Empire Life and Industrial Alliance into a one-stop-shop solution.** BBD's unique TPA model reduces the administration effort and liability risk from working with multiple carriers. In addition, BBD also consolidates all of the carrier's fees into one monthly bill, so no payments are missed.

By adding Formulary Protect Plus to their budgeted ASO plan this not-for-profit is saving over and above what they anticipated. **They have taken control of their benefit plan costs while ensuring that their employees have the benefits they need.**



**“One billing, multiple providers, liability and administration reduced, savings realized, and no one left behind. Problem solved.”**

Dave Patriarche,  
President of Mainstay Insurance.

To learn more about  
Benefits by Design (BBD) Inc., visit: [www.bbd.ca](http://www.bbd.ca)



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