

# Nexben: A Solution When You're Out of Solutions

## CASE STUDY

"I can't afford this. What do I do?" was the response a broker received from her client as they faced a third year with a 30 percent renewal increase on their fully insured plan. "They were out of options they could afford," shared the broker, "but then, we looked at Nexben and found the solution."

### The Nexben Solution

"During the renewal process, we couldn't find other group plan options due to their catastrophic claims. No one else was going to quote them," shared the broker. "They had no choice except to take the 30% increase. Then, Nexben came along and we found a potential solution."

Nexben facilitates an Individual Coverage Health Reimbursement Arrangement's (ICHRA's) ability to provide individual plan choice and cost predictability. Nexben empowers employees with the ability to choose individual health coverage and have premiums payroll deducted, like other group health plans, while keeping costs predictable for employers.

"Nexben was able to help my client avoid the 30 percent renewal increase they would've faced. With Nexben, they could keep their cost level and offer more plan options to their employee group which meant we could meet two of their

goals – cost control and employee retention."

"Attracting and retaining employees is difficult in their industry and it's been challenging to come up with ways to keep the plan affordable. Nexben, and the cost predictability coupled with more choice, was going to allow them to remain an attractive employer – this was huge for them."

The last goal was finding a feasible option for the client's employees aged 65 and older. "They have many employees that are 65+ and Nexben provided a solution to offer Medicare coverage," stated the broker.

Switching to Nexben resulted in the client saving nearly \$200,000 in total costs and positioned the broker as innovative and solution-oriented when it came to their needs.

### CLIENT OVERVIEW

- **Industry:**  
National Freight Transportation
- **Headquarters:**  
Minnesota
- **Locations:**  
MN, NE, CA
- **Benefit Eligible Employees:** 98

### KEY CHALLENGES WITH PRIOR PLAN

- **Current Funding Type:** Fully Insured Group Medical Plan
- **Renewal Month:** January
- **Enrolled Employees:** 53
- **Employer Premium Cost:** \$405,891
- **Employee Premium Cost:** \$275,562
- **Total Annual Cost:** \$681,453

### CLIENT GOALS

- #1. Cost control
- #2. Employee recruiting and retention
- #3. Options for employees aged 65+

## The Results

**#1: Reduced the existing premium costs by 27.9% or \$211,690.**

**#2: The broker and employer collaborated on an age-banded contribution strategy.**

The contributions accounted for premium pricing differences in two different rating areas. The employee monthly premium contributions for that plan are shown to the right.

**#3: Employees selected 49 unique plans with 18 different carriers.** Enrollment compared to the previous plan enrollment increased by 11% (59 vs. 53).

**#4: The client was able to provide options to employees located across 26 states.**

Age Band	Enrollment Market 1	Enrollment Market 2
20	\$159	\$345
30	\$202	\$404
40	\$228	\$455
50	\$319	\$636
60	\$484	\$750 (54+)
64+	\$536	

### THE FINANCIAL RESULTS\*

	Renewal Plan	Nexben's ICHRA	Savings	% Change
Employer Premiums	\$451,841	\$361,878	<b>\$89,963</b>	19.9%
Employer Other Cost	—	\$14,160	<b>(\$14,160)</b>	—
Employee Premiums	\$306,757	\$185,030	<b>\$121,727</b>	39.7%
Total Cost	\$758,598	\$561,068	<b>\$197,530</b>	26.0%

### NOTEWORTHY KEY METRICS\*

Renewal plan rates reflect the 30% increase. **Actual employer savings was 26%**, keeping overall costs in line with the prior year.

**Employees saved an average of \$2,063 per year** due to lower premiums and greater choice of health plan options.

**The employer saved an average of \$1,284 per covered employee.**

\* Financial Results and Key Metrics summaries were calculated at 59 employees (vs. 53) for comparative purposes.

This material is for general information purposes only. This material is not to be considered or taken as legal, tax, benefit, or human resources advice. Regulations change over time and can vary by location and employer size, among other factors. Nexben does not guarantee any form of access, eligibility, or coverage. Consult a licensed broker, human resources certified expert, or attorney for specific guidance. Nexben services are subject to terms and conditions.

Nexben™ is a trademark of Nexben, Inc.

©2023 Nexben, Inc. All rights reserved. T-24\_01.26.23