Rebuilding a Self-Funded Health Plan to **Reduce a Double-Digit Renewal Increase**

Story Overview

A national exposition services company with roughly 500–600 employees across multiple locations engaged IMA's employee benefits team to help address structural issues in its self-funded health plan. The client's program had become overly dependent on a bundled carrier model, limiting flexibility, obscuring cost drivers, and putting the organization at risk of a significant renewal increase.

Challenge

The client's health plan had been set up in a way that effectively left key decisions in the hands of the incumbent carrier and its embedded partners. That simplified administration, but it also meant the employer was paying more than it should have on important components such as pharmacy and stop-loss, with little ability to optimize individual plan elements. After a difficult claims year, the client was facing an expected renewal increase of about 21.2%, a level that would have created major budget pressure and likely forced plan changes affecting employees and their families.

> Creating flexibility and control in a self-funded plan.

IMA's Strategy and Actions

IMA's employee benefits team acted to support the client by:

- Taking a crawl-walk-run approach, first stabilizing foundational issues before restructuring the underlying health plan.
- Benchmarking plan performance and identifying out-of-bounds pharmacy and financial terms that warranted intervention.
- Launching a pharmacy RFP well ahead of renewal to give the client time to evaluate options proactively rather than react under deadline pressure.
- Recommending a best-in-class combination of third-party administrator, pharmacy benefit manager, stop-loss, and targeted carve-outs to improve both current performance and future risk protection.
- Coordinating internal pharmacy, analytics, actuarial, and stop-loss resources to model scenarios, validate projections, and guide the client through implementation.

Why It Worked

IMA helped make a complex structural change manageable because the team understood the barriers, sequencing, and market options in advance. Rather than asking the client to sort through dozens of vendors alone, IMA narrowed choices, educated stakeholders over time, and used analytics to build confidence in both the strategy and the financial projections.

Key Takeaways

This story demonstrates IMA's ability to look beyond annual renewal negotiations and address the structural drivers of plan cost. It also shows the value of early planning, cross-functional support, and employer education when guiding clients through less traditional but higher-impact solutions.

THE RESULT:

IMA helped reduce the client's projected renewal increase from about 21.2% to roughly 5.1%, lowering the expected annual increase from approximately $1.2 million to about $286,000 while maintaining the same core member plan design and even positioning the plan for added value through Rx optimization. The outcome gave the client room to avoid disruptive employee cost shifts and created a stronger foundation for future plan improvements.

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