Renewal Pressure Exposed
a Better Funding Path

Story Overview

An employer managing more than 1,000 projected enrollments across CDHP and PPO medical plans needed a clear view of its next coverage move. Facing a higher-cost renewal with its incumbent arrangement, the organization had to decide whether to stay self-funded, move to a fully insured structure, or change carriers.

Challenge

The incumbent self-funded renewal projected annual premium at **$14.715 million**, up from **$13.183 million**. The incumbent's fully insured alternative came in even higher at **$17.540 million.** The client needed a fact-based market check to avoid absorbing a significant cost increase without first testing whether a better option existed.

IMA's Strategy and Actions

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

+ Building a side-by-side comparison of current costs, renewal pricing, and fully insured offers from Anthem, Cigna, and UHC
+ Modeling projected enrollment by plan and tier so the analysis reflected the client's actual expected mix
+ Evaluating carrier options alongside funding strategy, rather than treating renewal as a single-track decision
+ Including premium and implementation credits to show the full financial value of each option

Why It Worked

The analysis widened the decision from "How do we handle this renewal?" to "What is the best overall funding and carrier path for this population?" That made the tradeoffs easier to see and gave the client a clearer basis for action than a renewal quote alone.

Key Takeaways

For prospective buyers, the lesson is straightforward: renewal decisions improve when funding structure, carrier pricing, enrollment mix, and credits are reviewed together. IMA's approach helped surface a lower-cost path that a narrower renewal process could have missed.

THE RESULT

In the market comparison, Cigna's fully insured proposal totaled **$12.645 million**, which was **$2.070 million lower** than the Anthem renewal scenario (-14.1%) and **$901,000 lower than** UHC. It also included **$400,000** in premium credits and **$45,000** in implementation credits.