CASE STUDY

Stabilizing Healthcare Costs: How a Maryland Non-Profit Transformed Benefits with IMA's Captive Strategy

CLIENT OVERVIEW

A mid-sized non-profit organization in Maryland, employing approximately 250 staff members, specializes in social services and support programs. Operating in a competitive sector with tight budgets, the organization faced escalating healthcare costs that threatened financial stability and employee satisfaction. By 2012, leadership recognized the need for a sustainable approach to benefits funding to maintain high-quality coverage without annual disruptions.

THE CHALLENGE

Prior to partnering with IMA, the non-profit was locked into traditional fully insured health plans. This model led to frequent carrier switches—often annually—driven by unpredictable renewals. Renewal increases consistently hit mid-to-high double digits, compounding over time and forcing tough decisions on cost-sharing or benefit reductions. The lack of transparency into claims data and population health trends made it impossible to develop targeted strategies. As a result, the organization struggled with budget volatility, employee retention challenges, and an inability to reinvest savings into mission-critical initiatives. Leadership sought an alternative that would provide control, flexibility, and long-term predictability without requiring additional internal resources.

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THE SOLUTION

In 2013, the non-profit collaborated with IMA's Alternative Risk Solutions team, led by experts like Sam Burns, to transition to a medical stop-loss captive program. This innovative funding mechanism pooled risk with like-minded employers, replicating the stability of larger organizations while unlocking access to detailed claims data.

KEY IMPLEMENTATION STEPS:

+ **Risk Assessment and Customization:** IMA conducted a thorough analysis of the non-profit's demographics, claims history, and risk tolerance to tailor the captive structure. This ensured alignment with the organization's goals, emphasizing data-driven decision-making over reactive renewals.
+ **Data Transparency and Strategy Development:** By adopting a self-funded strategy and using the captive for stop-loss protection, the non-profit gained visibility into their healthcare claim spend (e.g., pharmacy and provider costs). IMA guided the integration of targeted interventions and value based initiatives, such as wellness programming and enhanced coverage for those individuals managing chronic condition management.
+ **Seamless Transition:** With IMA's support, the shift required no additional HR staffing. Ongoing consulting included peer benchmarking, strategic reviews, and adjustments to address emerging trends like high-cost claimants with chronic conditions and rising prescription drug costs.

The captive model allowed the organization to move beyond 12-month insurance cycles, building a proactive, holistic approach to employee benefits and risk management.

KEY TAKEAWAYS

This case demonstrates how IMA's captive strategies empower mid-market employers to regain control in a challenging healthcare landscape. By prioritizing transparency and customization, the non-profit not only stabilized costs but also enhanced employee experiences—proving that innovative funding isn't just for large corporations.

For a personalized assessment of how captives could benefit your organization, contact IMA at *imacorp.com* or speak with our Alternative Risk Solutions team.

RESULTS AND IMPACT

Over the 12 years since joining the captive (2013–2025), the non-profit achieved remarkable outcomes:

+ **Cost Stabilization:** Annual cost trends averaged just 2.5%, compared to 7%–10% (or higher) for similar-sized peers in traditional plans—resulting in millions in cumulative savings.
+ **Benefit Enhancements:** Freed from double-digit renewals, the organization reinvested in employee wellbeing, expanding mental health resources and preventive care without cutting coverage. Employee satisfaction scores improved by 25%, contributing to lower turnover and increased employee enrollment.
+ **Long-Term Sustainability:** The data insights enabled precise interventions, such as negotiating better pharmacy rates and promoting high-value providers, further reducing volatility. Leadership reports greater confidence in budgeting, allowing more focus on core mission work.