Stabilizing Rising Health Plan Costs **Without Cutting Benefits**

Story Overview

A Los Angeles–based healthcare organization was facing repeated, outsized health plan increases in a high-turnover workforce environment, while leadership wanted to preserve benefits and avoid disrupting employees with a carrier change. IMA helped the client move from a fully insured model to a self-funded strategy designed to improve data visibility, stabilize costs, and support broader participation.

Challenge

Soon after IMA was engaged in 2022, the client received a 55% fully insured renewal that was ultimately reduced to 39%, but subsequent years still brought repeated double-digit increases, including trend-driven renewals in the high teens and low teens. The client had little access to the underlying claims data needed to validate those increases, and leadership did not want the usual tradeoffs of changing carriers or reducing benefits. That made the status quo both financially unsustainable and strategically misaligned with the organization's goals.

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IMA's Strategy and Actions

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

- Assessing self-funding readiness and helping leadership evaluate whether the organization's risk profile and enrollment base could support a self-funded move.
- Conducting a dependent eligibility audit to confirm that enrolled dependents were eligible, improving plan integrity before the transition.
- Providing Medicare education and decision-support tools so eligible employees could make informed coverage choices, helping manage risk without forcing plan changes.
- Structuring a conservative first-year budget and reserve approach so unused dollars would remain with the employer rather than the carrier, while protecting the client from renewal volatility.
- Using actuarial and claims analytics, plus vendor and TPA collaboration, to identify steerable utilization and implement targeted interventions such as urgent care redirection from emergency room care and centers-of-excellence strategies.

Why It Worked

This approach worked because IMA combined long-range consulting with practical execution. The team did not treat self-funding as a one-time market move; it prepared the population, educated employees, built reserves conservatively, and kept refining the plan through analytics, member outreach, and partner coordination. Just as important, the team helped build client-side sponsorship to carry the strategy forward.

Key Takeaways

This story shows IMA's value as a strategic consultant, not just a renewal manager. For other teams, the lesson is that durable results often come from readiness work, data access, steady plan optimization, and a strong client champion—not from a single intervention.

THE RESULT:

After moving to a self-funded model in 2025, the client's most recent renewal analysis supported a negative 5% budget indication, but increased their budget by +3% to remain conservative. With this savings, the employer increased their contributions towards dependents resulting in a 40% increase in the family tier to continue to increase their overall participation.

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