

FOOD AND BEVERAGE

CUSTOMER**CHALLENGE**

The company wanted to increase enrollment in its HDHP and simplify the healthcare decision-making process for employees to ultimately save money for employees and the company.

SOLUTION

Castlight's health benefits platform offers a simple, intuitive experience across web and mobile and provides employees with personalized and relevant information that encourages smart healthcare decisions and helped Gordon drive HDHP enrollment.

" We have a very strong retirement program, and whatever they save on their healthcare spending means that they save, the company saves, and we're able to contribute more to their retirement. We feel like we're with the right partner in Castlight, and expect that the solution will continue to provide additional value over time. "

~ Kristine Babcock
DIRECTOR OF BENEFITS, HRIS, AND HR INTEGRATION
GORDON FOOD SERVICE

Gordon Food Service serves up attractive health benefits while cutting costs

Since 1897, Gordon Food Service has delivered uncompromising quality and heartfelt service for its customers. The company began as a simple butter-and-egg delivery service, and has grown to become the largest privately held, family-managed business in the foodservice distribution industry by upholding the same approach for over 115 years—remaining passionately committed to the customers it serves. Today, Gordon Food Service partners with foodservice operators such as hospitals, schools, universities, independent and chain restaurants, and event planners in the Midwest, Northeast, Southeast, and Southwest regions of the U.S. and coast-to-coast in Canada. The company also has more than 170 Gordon Food Service Stores in the U.S., which are open to the public and provide restaurant quality products and friendly, knowledgeable service without a membership fee.

32%

Decreased ER utilization by Castlight users

22%

Decline in imaging costs for Castlight users

CHALLENGES

Gordon Food Service employs nearly 18,000 people. More than 9,000 employees work full-time at the company's Grand Rapids, Michigan headquarters or in its distribution centers and stores across the U.S.

Gordon Food Service has many long-time employees— some coming from families that have been with the company for multiple generations. Recently, the organization has grown through acquisitions that have necessitated absorbing hundreds of new employees into the unique Gordon Food Service culture.

These acquisitions have resulted in the benefits team needing to manage many benefits plans, with differences based on business units. This added an extra layer of complexity that had to be dealt with and managed effectively to avoid increased expenses.

In 2009, in an effort to help address ever-growing medical costs, Gordon Food Service implemented a high-deductible health plan (HDHP) with a linked, tax-advantaged health savings account (HSA) and an annual employer contribution. Four years later, with enrollment in the HDHP still below expectations, the benefits team met with the company's executive group and proposed adjusting its other health plans to make its HDHP more attractive. It also recommended obtaining a solution that could help make employees better healthcare consumers and simplify strategic healthcare management for the company.

"We searched the marketplace and reviewed solutions from three different companies, including our healthcare provider," said Kristine Babcock, director of benefits, human resource information systems, and HR integration at Gordon Food Service. "We chose Castlight because it had the best, most user-friendly interface. You can have the best solution in the world, but if it's not intuitive, people aren't going to use it." Although the solution was well-aligned with Gordon Food Service goals, a compelling business case was needed. Castlight reviewed Gordon Food Service's healthcare spend and created a scenario detailing the potential value based on agreed-upon assumptions of engagement and usage. This projection demonstrated the

significant savings that both Gordon Food Service employees and the company would receive. The Gordon Food Service executive group was impressed, and entered into an agreement with Castlight to launch its health benefits platform.

SOLUTION

Castlight's health benefits platform simplifies and improves decision-making for employees and benefits leaders. With Castlight's comprehensive dataset and integrated platform, employees become more productive and informed healthcare consumers and the benefits team is empowered to proactively manage healthcare and related benefits.

Gordon Food Service has long placed a high priority on attracting and retaining the best talent in the industry. The company has worked hard to maintain a strong benefits package to serve as a cornerstone of the value proposition it relies on to meet the needs of employees and keep them satisfied.

"We've been very diligent about evaluating our talent strategy and understanding where our benefits package fits into the strategy we've implemented," Babcock remarked. "We've had to decide whether we want to be the same as everyone else, or be a leader in the benefits we provide. It's an ever-changing landscape, and we're looking closely at the costs and benefits and what our employees want or expect from us."

In addition to having a simple, easy-to-learn and use interface, Babcock and her team liked how the mobile version of the Castlight platform offers employees a user-friendly interface that's very similar to Castlight's desktop solution. This helps minimize complexity, removing a key barrier to adoption and eliminating the need for expensive training and support.

RESULTS

MODEST INITIAL ENGAGEMENT, BUT BIG BENEFITS FROM THE START

When it rolled out Castlight in January of 2014,

Gordon Food Service initially set a modest goal of 20% engagement with the Castlight platform. And with a relatively low-key introduction, the company was pleased to achieve household registrations that are just above that goal—with a little more than one in five households engaged with Castlight. In addition, the company delivered some very strong results among Castlight users right from the start:

- 32% decline in the use of emergency rooms—eliminating the exorbitant expense of relying on the ER for nonemergency care
- 22% decrease in imaging costs compared to non-Castlight users
- Return visits to Castlight have been very high—with 35% of Castlight users frequently consulting with the solution during a typical quarter.

“We recently added pharmacy capabilities, which allow our employees to shop for the best prices on prescription drugs,” noted Babcock. “This will help us manage the staggering cost increases that are coming due to specialty drugs. We’ve already seen increased employee engagement, thanks to the new feature. And our employees have shared anecdotes about how beneficial prescription drug shopping has been for them.”

REFERENCE-BASED PRICING AND REWARDS COMING SOON

Babcock and her benefits team are currently working closely with Castlight planning the rollout of the reference-based pricing and rewards capabilities of the platform.

Castlight is able to drive reference-based pricing with an innovative process that enables companies to establish reference prices for medical services, reimbursing employees for care up to this

established reference price—with employees paying for any difference above that price. Castlight’s rewards capability offers an easy way to motivate employees to make smarter healthcare decisions—clearly indicating the lowest cost, highest quality providers and awarding employees points for making good decisions. These points can then be cashed in for valuable rewards such as HSA contributions, premium reductions, or gifts tailored to a company’s specific needs or preferences.

“We’re really excited about the addition of these capabilities, which should allow us to significantly increase employee engagement with the Castlight platform,” Babcock explained. “The flexibility of Castlight makes this a good cultural fit for us, combining attractive incentives together with reference prices to guide employees and help educate them about the benefits of smart healthcare shopping.”

Babcock is also pleased with the additional capabilities of the platform aimed at benefit leaders. Babcock and her team now have a dynamic, interactive analytics application that provides Gordon Food Service’s benefits managers with real-time insights for strategic health benefits management.

“We talk to our employees all the time about how when it comes to healthcare, we’re self-insured,” said Babcock. “We have a very strong retirement program, and whatever they save on their healthcare spending means that they save, the company saves, and we’re able to contribute more to their retirement.”

“We feel like we’re with the right partner in Castlight, and expect that the solution will continue to provide additional value over time,” she concluded.

Castlight Health, Inc. (NYSE: CSLT) is a leading health benefits platform provider. Our mission is to empower people to make the best choices for their health and to help companies make the most of their health benefits. We offer a health benefits platform that engages employees to make better healthcare decisions and guides them to the right program, care, and provider. The platform also enables benefit leaders to communicate and measure their programs while driving employee engagement with targeted, relevant communications. Castlight has partnered with more than 190 customers, spanning millions of lives, to improve healthcare outcomes, lower costs, and increase benefits satisfaction.

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