



## RETAIL

### CUSTOMER

Nationwide grocery chain

### CHALLENGE

Help employees become better healthcare consumers and manage their spending under a recently introduced high-deductible health plan (HDHP).

### SOLUTION

The Castlight health benefits platform helps employees understand and manage their healthcare spending, evaluate providers based on cost and quality, and access personalized information about healthcare benefits and options—ultimately facilitating a transition to the HDHP option.

\$3.8M

Reduction in  
yearly medical  
trend for  
Castlight users

40%

Decrease in  
ER visits for  
Castlight users  
vs. non-users

*"With Castlight, the employee saves money, the company saves money, and the message gets out to those providers that are higher in the market. We've really been able to move the needle on our healthcare costs."*

*~ Benefits Director  
NATIONWIDE GROCERY CHAIN*

## Leading national grocery chain helps employees make better healthcare decisions

### CHALLENGES

Food and drug retailers often operate on the narrowest of margins. As a result, managing large overhead expenses such as employee wages and benefits can be critical to maintaining profitability.

Recently, a leading national grocer was finding it difficult to manage the rapidly rising cost of healthcare. To address this, the grocer introduced a high-deductible health plan (HDHP) to its employees.

Because the company had previously offered health maintenance organization (HMO) and preferred provider organization (PPO) plans, employees had little incentive to understand the cost of care and manage their medical spending. To introduce the HDHP, the company realized it needed a way to help employees become better healthcare consumers by providing easy access to personalized information about benefits and healthcare choices.

"You can't ask employees to manage their spending without giving them some way to do it," said the company's benefits director. "Unfortunately, there really hadn't been any great tools to help an employee know what their medical costs would be in advance. And



if you checked with your doctor's office, the staff probably wouldn't know either, because so many rely on an outside billing group."

## SOLUTION

The grocer chose Castlight, a health benefits platform that enables employees to understand and proactively manage their healthcare spend, evaluate providers based on cost and quality, and access personalized information about their healthcare benefits and options.

With Castlight, employees have a simple, integrated solution that educates them about their benefits and helps them make all of their healthcare decisions. Employees can search Castlight on the web or via a mobile app so they can access what's needed at the doctor's office or at work in a retail environment where most employees don't have access to a computer.

With Castlight, the grocer launched the Castlight health benefits platform with highly targeted, multifaceted marketing campaigns to encourage employee engagement. Sophisticated segmentation using data drawn from both Castlight and the grocer's health plan provider enabled the grocer to target specific employee populations, such as those overusing ER visits.

## COST CONTROL WITH REFERENCE-BASED PRICING

Another contributor to the grocer's success has been Castlight's ability to drive reference-based pricing. With this capability, price points are set to ensure employees have access to quality providers for a number of common procedures—ranging from routine lab tests to preventive colonoscopies—while keeping the company's healthcare costs within an acceptable range.

Reference-based pricing is off to a great start. For instance, since its introduction, almost all plan members have been able to stay at or below the

grocer's reference prices on imaging—avoiding unnecessary out-of-pocket costs.

"We view this as a critical part of educating our employees to be effective healthcare consumers, and make choices that are good for both their pocketbook and our bottom line," the benefits director explained. "We expected some resistance at first, but once employees saw how many quality providers are available to them at or below the price points—and how expensive the high-cost providers are—it was an eye-opening experience."

## RESULTS

### DRIVING DOWN MEDICAL TREND

The grocer quickly realized significant savings from its implementation of the Castlight platform. Among these were:

- Imaging services—16% lower costs compared to employees not using Castlight
- ER visits—40% lower utilization and 8% lower trend on average costs for Castlight users compared to non-users
- Labs tests—12% lower trend on average costs for Castlight users
- Office visits—14% lower trend for doctor's visits for Castlight users

Overall, those who use Castlight have a 14% lower medical trend than non-users at the company, equating to \$3.8 million in cost savings in the most recent year.

"With Castlight, the employee saves money, the company saves money, and the message gets out to those providers that are higher in the market," the benefits director remarked. "We've really been able to move the needle on our healthcare costs."

Castlight's intuitive design and ease of use have also reduced the workload for the grocer's benefits service center, with the small volume of healthcare benefits questions handled by Castlight's call center. "It's been a good sign that the feedback we've received about Castlight is virtually all positive,"

the benefits director added. "Typically, in benefits we mostly hear from employees when they have complaints. So, the high ratio of kudos to complaints is quite welcome."

### PARTNERING WITH CASTLIGHT

Castlight's willingness to partner with the grocer to deliver creative solutions as part of its health benefits platform has helped feed the growing relationship.

"Castlight has always been ready to go a little deeper—to look at things differently and try something new,"

stated the benefits director. "For example, I think that Castlight Elevate can address behavioral health in the workplace in a big way. Being able to push tailored wellness information to employees in bite-sized chunks will make it more likely people will act than if you simply distributed a huge newsletter. Not everyone who might need help with a behavioral health issue is willing to call an Employee Assistance Program (EAP) hotline. But if the help is online and easy, more people will be willing to act."

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.

For more information, visit [www.castlighthealth.com](http://www.castlighthealth.com) and connect with us on [Twitter](#) and [LinkedIn](#) and [Facebook](#).