



# Leading manufacturer reduces healthcare cost trend

## Leading Manufacturing Company

### Challenge

Reduce healthcare cost and complexity by consolidating hundreds of healthcare benefit plans into just four plans for non-union employees and launch a cost efficient consumer-directed health plan (CDHP).

### Solution

Castlight's health benefits platform helps employees better understand and use the new CDHPs linked with HSAs—to manage healthcare cost trend without sacrificing quality or satisfaction.

**26%**

Amount Castlight searchers saved on imaging costs

**4%**

Decrease in cost trend for Castlight users

### Challenges

When the benefits director of a leading North American manufacturer joined the firm's benefits team about five years ago, the company was placing an emphasis on expense control and all units were being asked to find better ways to manage costs. At the time, the company had hundreds of medical plans for its union and non-union employees, as well as its post-65 retirees.

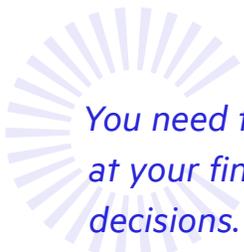
The benefits director immediately began to streamline the company's benefits offerings, focusing on the well-being of its large employee population in the U.S. and several thousand abroad— while looking for ways to decrease costs for both the company and its people. This included reducing the number of plans for active employees from more than 75 to fewer than 20.

Included among these was the company's first consumer-directed health plan (CDHP) as an option for its employees. "To combat the burden of ever-rising healthcare costs, we knew we would require an innovative benefits program that put the responsibility on us as well as our employees," said the executive. "Yet we also realized that offering a CDHP without transparency would be like asking consumers to shop at a grocery store while wearing a blindfold."

### Solution

The solution was Castlight and its health benefits platform. The expanding array of applications and services within Castlight's

solution allows companies to bring all health and wellness programs together, providing a personalized healthcare experience so employees can make more informed choices for themselves and their families. At the same time, the platform's comprehensive data set lets benefits leaders identify where healthcare dollars are being spent and evaluate where money is being wasted, so adjustments can be made without sacrificing quality or impacting employee satisfaction.



*You need to have information easily at your fingertips for better buying decisions. We do it when we hunt for a mortgage or buy auto insurance. Why not healthcare consumerism? By working with Castlight, we're giving our employees the insight they need to make more-informed, high-value care decisions.*

~ Benefits Director  
LEADING MANUFACTURER

The company was introduced to Castlight in a presentation several years ago. "Looking at the screenshots and listening to the presentation, it was just common sense," the executive commented. "You need to have information easily at your fingertips for better buying decisions. We do it when we hunt for a mortgage or buy auto insurance. Why not healthcare consumerism? By working with Castlight, we're giving our employees the insight they need to make more informed, high-value care decisions."

Castlight and the company worked closely with the company's healthcare provider to integrate systems

and load several years of relevant claims, search, cost, and clinical data into the Castlight platform. In late 2013, the solution was ready to be launched. The company and Castlight developed an ongoing marketing and communications plan that included HR leader training and home mailings to reach out to the company's U.S. employee base. Creative incentives were also devised to encourage registration.

To further sweeten the deal for its employees, the company linked a health savings account (HSA) to each new CDHP, so individuals could pay for current medical expenses while saving for future medical costs and enjoy significant tax advantages. The accounts have already proven to be quite popular, with some employees accruing balances of more than \$50,000 in a very short time.

## Results

### Exceeding its household registration goal

With the help of thorough preparation, a well thought-out marketing campaign, and attractive incentives, the company quickly reached and then exceeded its goal of 35% household registration— achieving 41% registration and quarterly return rates as high as 44%.

"Users have been very happy with Castlight," noted the executive. "It's easy to use, very intuitive. And it gets you the answers you need right away. It's definitely given our people insights into what they require to procure better healthcare."

Unlike the tools offered by traditional carriers, which can be complicated and frustrating to use, Castlight's intuitive, simple search capabilities quickly delivers the personalized information and tailored education an employee is looking for. This ensures that people don't give up before they find what they need to better understand their options and make the best care decisions.

"I think that people feel empowered when they're able

to do this research,” the executive stated. “It gives them a sense of comfort—makes the experience better and more reassuring when they see how someone else at the company may have rated a physician they’re considering as being a great doctor.”



*Castlight has proven to be a great group of people to partner with. They have the same passion as our benefits team toward striving to improve the healthcare experience for our people.*

~ Benefits Director  
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### **Producing significant cost savings**

Before Castlight was launched, many at the company had no idea how much procedures and services could vary in cost—even among in-network physicians and service providers. For example, in one region of the country, in-network colonoscopy costs ranged from \$650 to \$3,600—a spread that surprised even members of the company’s finance team.

Since the introduction of the Castlight platform, users who searched for advanced imaging before a particular procedure or service paid 26% less than those who did not search.

In a broader measure, the company has seen a 4% decrease in cost trend for Castlight users, avoiding nearly \$500,000 in costs. This amount is expected to grow substantially in the coming years as healthcare costs continue to climb and more employees sign up for

a CDHP and engage with Castlight.

### **Helping employees find new doctors**

Because the company’s employees often have to relocate as they move up through the ranks, it’s not uncommon for employees and their families to find themselves in new parts of the country where they have no established relationships with doctors, hospitals, or other medical providers. With its comprehensive listing of healthcare providers in markets nationwide—accompanied by user recommendations, other qualitative data, and the most accurate pricing—the Castlight solution has been tremendously valuable to company employees as they go from location to location.

### **Establishing a fair price point**

The company recently launched Castlight’s unique reference-based pricing solution with a highly flexible design that will allow the company to meet its cost containment objectives while minimizing disruption, educating employees, and ensuring that the solution is a fit for the company’s culture.

“We’ll be using the solution to establish fair prices for certain commodity-driven medical services in our markets,” explained the executive. “Once the capability is in place, if a person chooses a physician at the high end of the price range, he or she will receive a message after the appointment that shows what a fair price would have been for a similar, well-regarded doctor in their market. We’re hoping that we’ll get enough people to respond voluntarily that we won’t have to implement a mandatory reference-based pricing program.”

### **Other future considerations**

Beyond the implementation of the fair price capability, the benefits director and his team are also interested in Castlight Elevate, the first technology solution that provides employees and their families with access to

employer-specific behavioral health resources, and helps them make informed treatment choices and receive care from a personalized, confidential, and trusted platform.

“We talk a lot about employee well-being here,” the executive reflected. “For us, that includes not only traditional physical wellness, but also mental and financial health. This is a company that truly cares about its employees.

“Castlight has proven to be a great group of people to partner with,” he added. “They have the same passion as our benefits team toward striving to improve the healthcare experience for our people.”

Castlight is on a mission to make it as easy as humanly possible to navigate healthcare and live happier, healthier, more productive lives. Our health navigation platform connects with hundreds of health vendors, benefits resources, and plan designs, giving rise to the world's first comprehensive app for all health needs. We guide individuals—based on their unique profile—to the best resources available to them, whether they are healthy, chronically ill, or actively seeking medical care. In doing so, we help companies regain control over rising healthcare costs and get more value from their benefits investments. Castlight revolutionized the healthcare sector with the introduction of data-driven price transparency tools in 2008 and the first consumer-grade wellbeing platform in 2012. Today, Castlight serves as the health navigation platform for millions of people and is a trusted partner to many of the largest employers in the world.

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



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