



# National grocery chain helps employees make better healthcare decisions

## 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

**41%**

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

### 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.”



*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

## **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 bitesized 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 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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