

Potato Farm Saves Nearly \$500K in Four Years While Providing Health Care Their Workers Love

Wada Farms is a family-owned potato farming operation in rural Idaho.

When healthcare reform came into play in 2013, Wada Farms was no longer permitted to offer the mini-Med program that had served its workers with a 95% participation rate. The sweeping legislation prompted leadership to search for new solutions.

The company dabbled with minimal essential coverage (MEC) plans and minimally viable product (MVP) plans, but the premiums were still too high. They had to charge \$200 per pay period for low-income workers. The lack of affordability meant most opted to go without care.

The dilemma of complying with health care reform versus offering insurance was continually top of mind. Wada Farms spent a lot of money for benefits without delivering much value to their employees. Stacie Adams, VP of HR, and CEO, Brian Wada desperately needed a better solution.

In 2017, Wada learned about an interesting direct-to-employer program through benefit advisor Doug Hetherington.

“We have a plan that our employees love!”

Stacie Adams
VP of HR, Wada Farms



Wada Farms at a Glance

INDUSTRY

Agriculture (Potatoes)

SECTOR

Private

EMPLOYEES ON PLAN

235

TOTAL LIVES ON PLAN

500

PLAN FUNDING
Self-funded

A Disturbing Trend

The hospital, Bingham Memorial, had noticed that many employers were discontinuing their health care benefits. Some companies were instructing their employees to purchase insurance on the state insurance exchange. Others were decreasing the value of their health care benefits to the point that insurance was not really insurance: large deductibles and first dollar premiums were required before the plan could begin to pay for claims.

The situation wasn't good for employers, or the employees and their families. It also wasn't good for Bingham Memorial - with high-deductible plans, medical bills often went unpaid.

A Direct Solution

The hospital collaborated with direct contracting firm Health2Business to create a solution for employers like Wada Farms. This health benefits solution, called Bingham Direct, enables employers to offer meaningful and rich health benefits to their employees in an affordable and financially sustainable direct contract arrangement.

The program results in a win for the employer, with affordable, sustainable and predictable costs; a win for their employees, who regain access to meaningful healthcare benefits; and a win for Bingham, because they saw an increase in new patients and a decrease in bad debt.

The Numbers Tell the Story

Stacie Adams still remembers learning about the Bingham Direct program and having a hard time believing it would work.

"We ran the numbers, reviewed utilization data, and heard that we would see at least a 30% decrease in spend. And we did. Year over year, we've seen decreases in spend. Today, I am still spending less than I was spending on healthcare in 2017 - getting close to half a million dollars less, and on top of that, I have a plan with a zero deductible," Adams says. "We have a plan that our employees love!"

Approximately 95% of Wada Farms employees participate in the plan because the value has been restored. An affordable premium that has stayed level for four consecutive years, a zero-deductible plan design, and access to local community providers mean that participants get needed care and proactively address health concerns.

The Wada Farms/Bingham Direct partnership proves that paying less for better benefits is not only attainable, but also mutually beneficial. In addition to providing health care, Bingham Direct helps Wada Farms facilitate health fairs and vaccination clinics, and Spanish-speaking employees can communicate directly with a bilingual service agent at the hospital.

Adams refers to Bingham Direct as "a complete community resource, improving the health and well-being of Wada Farms' employees." As Bingham Healthcare helps more patients, the organization has more resources to provide better care and compete against larger urban health systems.

Together, Bingham Direct and Wada Farms have re-localized healthcare in a way that has benefited their entire rural community.



Key Takeaways

- + 30% premium savings in Year 1.
- + No change to premiums or plan design in years 2 through 4.
- + Employer savings of nearly \$500K in first four years.
- + 95% plan participation.
- + Mutually beneficial and sustainable partnership for the employer, employees/members, and the provider stakeholders.
- + Employees participate when it's simple and affordable.