

How an Employee Benefits Brokerage Wins Clients with a Direct Partnership Health Plan Option

As a family-owned health insurance agency based in Idaho, Fredriksen Health Insurance has delivered smart employee benefit solutions since 1980.

In the quest to bring his clients a wider range of options, Eric Fredriksen, Principal Agent and co-owner of Fredriksen Health Insurance, decided to look for a solution beyond traditional health plans.

A few years ago, his search led him to Health2Business and its unique direct partnership model of healthcare delivery.

How Fully Insured Plans Fall Short

Fredriksen Health Insurance aims to deliver health plans that employers and employees love, but lately, that goal has been challenging. Renewal increases are the obvious problem. Year after year, plans cover less while charging more.

The situation undermines employer and employee satisfaction, and one of the obvious problems is lack of transparency.

“With fully insured plans, a lot of the time, and especially the demographic we work with, there’s no data to access,” Eric says.

Employers are expected to pay more for coverage year after year without any data-driven insights to justify rate increases, or to shed light on how employers can control or influence costs going forward.

“At a conceptual level, employers are willing to pay what is fair,” says Eric. “So if I’m an employer with a high mix of folks that are unhealthy, yes, maybe I should pay more. But on the flip side, if I have a pretty good risk level, I should also be rewarded for that.”

The lack of data left employers in the dark, so they couldn’t tell if they were getting a fair deal or not. “The current situation is not palatable for a lot of our employers,” Eric says.



“I like to use the analogy of a supercar when I’m telling employers about this type of plan.

If you need to get from Point A to Point B, you can take an SUV, but it will be boring, and it will still cost a lot of money.

Alternatively, you can put in the effort to tune up a supercar, transforming it into your ideal ride.

It takes work, but in the end, it’s going to perform substantially better than your average vehicle.

A high-performance self-funded plan is the equivalent of a supercar, and using a direct partnership is one way to tune it up.”

Eric Fredriksen, Principal Agent and co-owner of Fredriksen Health Insurance

Forging a Partnership with H2B

Eric had worked with H2B before, so when it came to explore alternative health plan options, H2B stood out as an obvious choice.


"I love the process of working with H2B," says Eric.

H2B facilitates a direct partnership health plan model. It's a type of self-funded plan, but instead of sticking to a traditional network, employers contract directly with the healthcare organizations and providers in their community.

It's a big change for brokers and their clients, but H2B offers guidance throughout the process.

"They are highly responsive. Lisa on their team is all-hands-on-deck whenever we need something," Eric says. He adds, "It's also really nice that you can pick up the phone and work with the founder, Doug."

An organization is only as strong as the partners it chooses, and this is another thing that Eric appreciates about the H2B model. "Professional Benefit Services (PBS) is one of our H2B service providers, and they are outstanding, really making the solution simple," Eric says.



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Eric Fredriksen

Convincing Clients to Break Away from the Status Quo

Not every business is a good fit for the H2B direct partnership model.

When Eric first introduces the direct partnership model to clients, the process involves a lot of qualifying questions to determine whether the client is a good candidate and ready to take accountability for their health program. Some aren't. Others are, but they may hesitate to switch to a new model of health coverage.

In the end, it's not Eric's decision. As a broker, he provides his clients with the best possible options, but they get to make the final decision.

Putting in the Effort to Achieve Real Results

Just as employers need to be willing to put in a little extra effort to gain plan control and cost-savings, Eric needs to put in a little extra effort to offer direct partnerships as a solution.

"Working with self-funded plans requires a little more legwork from the broker," says Eric. "I'm not scared of that if it's a good fit."

He has no reason to be scared since he knows he'll have the support he needs from H2B and his third-party administrator. When he helps a client with a direct partnership program, he estimates that the workload increases by 10% to 15%, but he's also compensated for the consulting services he offers.

Winning Business by Offering Choices


Many employee benefits brokers have started offering captive, self-funded and level-funded health plan options, but fewer are offering direct partnerships. Working with H2B has been a huge differentiator for Fredriksen Health Insurance, helping the brokerage win business.

Eric is also able to offer Idaho employers an option that makes sense for their community. In Southwest Idaho, St. Luke's Health System is a major provider, and H2B has been working with St. Luke's for years. "The kinks have been worked out. The hiccups have been solved," Eric says. "Now they're at a point where it's a well-oiled machine."

Regardless of whether employers choose the direct partnership option, many appreciate that it's available to them.

"What I really love, and I think what I'm hearing from employers and employees all the time, is they want choice," says Eric. "They want the ability to offer employees a couple of different options that fit these employees' needs, and then also the ability to reward employees for making good decisions on their health."

The bottom line? According to Eric, "If you're a true benefits professional, you're missing the boat if you're not using H2B."



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Eric Fredriksen

Ready to transform your healthcare program?

Call 888.422.4220 or email info@myh2b.com to start a conversation.