

How a Nonprofit Transformed the Healthcare Experience to Boost Employee Engagement

Northwest Real Estate Capital Corp. was the unsatisfied user of a traditional health insurance plan. As a nonprofit devoted to providing affordable housing, they are an organization that cares about their community's wellbeing. However, traditional health insurance made it hard to deliver meaningful healthcare to their employees.

"It was essentially a failed plan for us," said Noel Gill, EVP of Northwest Real Estate Capital Corp. "The increases were anywhere from 15-30% year-over-year; our last increase in the 30% range. We no longer could absorb those costs."

In addition, Northwest Real Estate Capital Corp. had no insight into the factors driving the increases.

In search of more transparent, accountable and affordable healthcare model, Noel agreed try the direct partnership model offered by H2B.

A Bold Move That Paid Off

When Noel made the decision to leave the traditional carrier model, he made two important changes: First, he decided to run his health plan from a separate operating account, so he could analyze and fully understand the financial implications of the change. Second, he chose to fund the health operating account to his aggregate attachment point as if the year was going to perform at the worst-case scenario. As a point of comparison, he said this amount "was just a little bit higher than what we'd been paying out to the traditional insurance carrier."

"About three-fourths through our first year, when we started working on the enrollment going into the second year, I realized - this is amazing. This whole thing is working. It's awesome!"

Noel Gill
EVP of Northwest Real Estate Capital Corp.



Northwest Real Estate Capital Corp. at a Glance

INDUSTRY

Affordable Housing

SECTOR

Nonprofit

ENGAGEMENT

Plan enrollment
increased from
43 to roughly
150 employees

PLAN FUNDING

Self-Funded

Noel discovered he had over \$290,000 saved in his health operating account – money he says normally would have just been paid to the traditional carrier. Now, this money could be repatriated to make the future of his company more stable and the healthcare benefits better for his employees.

“Going into our second year, that’s when we made some of our largest adjustments to plan design. It made me so happy to be able to make those changes,” Noel said.

Goodbye Spiraling Costs; Hello Positive Feedback Loop

As the nonprofit’s health approach evolves and the benefits become richer, Northwest Real Estate Capital Corp. continues to fund their account to their aggregate attachment point and reserves continue to grow. This has allowed Noel and his team to implement their vision: a preventive, wellness-based approach to health care.

“The direct partnership has become a really great relationship for us... a win-win for everybody,” Noel said.

A direct partnership is a more hands-on approach to healthcare, in which the employer enters into a direct business arrangement with their local healthcare provider. This arrangement outlines how the company will access and pay for healthcare. This arrangement provides more transparency and is a more sustainable solution.

“Quickly, I learned that the preventive side was the big takeaway. If we could build in the preventive side up-front, and really get our employees to buy in, that’s where the plan really begins to win for the company,” Noel explained.

Transforming Employee Wellbeing with a Preventive Focus

As it turns out, using a preventive care focus created transformational change for Northwest Real Estate Capital Corp. Instead of having a health insurance plan that simply responded to employee needs as they arose, Northwest Real Estate Capital Corp. was gaining insight into their employees’ true health needs and the associated costs. Now, they help their employees take better care of themselves and have removed financial barriers that previously might have discouraged their employees from visiting their local doctors.

This preventive approach meant that employees could feel empowered in their healthcare decisions, and that Northwest Real Estate Capital Corp. could encourage a healthier, stronger, more confident employee base.

“We want to encourage our employees to address their healthcare needs in a preventive manner versus a reactive manner,” Noel said.

This preventive approach creates a positive feedback loop. Because employees are taking better care of themselves, both the company and its employees are experiencing additional cost savings.

When asked how their employees have responded to no longer being part of a traditional network, Noel said, “What my employees see is that we have had to pay a premium increase since we moved... and they have watched their deductible go down by \$2,000.”



Key Takeaways

- + The deductible decreased by \$2,000.
- + NWRECC has been able to expand employee benefits while controlling costs.
- + A focus on preventive care promotes wellness while keeping costs down.

Reallocating Savings for a Stronger Workforce

Due to their partnerships and efficiencies built into their plan, Northwest Real Estate Capital Corp. is able to continue adding more and better benefits for their employees, including premium holidays, \$25 monthly premiums for the first three kids added to the plan, covering bariatric surgery, and covering STEM cell treatments for certain musculoskeletal injuries. The healthcare improvements have also resulted in happier employees and a better company culture.

When asked if the direct partnership has improved company culture, Noel's answer is clear: "Absolutely."

Late last year, Northwest Real Estate Capital Corp. hired a new HR Manager. When Noel asked her why she joined, she said their health plan was a key factor. "When your HR manager - someone who really understand health benefits - tells you that 'I came to work here at a lower rate because of your health plan,' that's pretty amazing," Noel said. "There's no bigger compliment than that."

Ready to transform your healthcare program?

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