



A LEADING INDUSTRIAL DISTRIBUTOR CUTS HEALTHCARE COSTS WITH 160% ROI USING ONLINE HEALTHCARE SHOPPING SOLUTION

One of the nation's largest industrial distributors needed to measurably cut healthcare costs without compromising a critical commitment to their associates' well-being. With Healthcare Bluebook's online healthcare shopping solution, the company cut their rapidly rising healthcare costs an average of \$1,500 every time an employee shopped for cost-effective, high-quality care. Offering consumer navigation led to a 160% initial ROI with an 8% average monthly employee utilization rate.



IDENTIFYING THE PROBLEM

Before partnering with Healthcare Bluebook, the benefits and finance managers at this 9,000+ employee company identified the same complex obstacles as those confronting most large employers in every industry nationwide:

- ✓ Average annual premiums for family coverage have increased by 55% since 2007¹
- ✓ Employer healthcare costs are expected to rise by another 6% in 2019²
- ✓ Employee deductibles have increased by 300% on average since 2006¹
- ✓ Resulting pressure to improve employee satisfaction and benefits engagement

One of the biggest factors driving healthcare overspending for employers is wildly varying costs, even among in-network facilities and physicians. Here is an example of the price variability that our client's employees were facing in just one of their major metropolitan areas:

✓ *In-Network Procedure Price, Houston, TX*

Procedure Pricing	Low	High	Δ (%)
Abdominal Ultrasound	\$87	\$644	640%
Cataract Surgery	\$1,807	\$9,022	399%
Chest CT (w/o Contrast)	\$211	\$2,611	1,137%
Screening Colonoscopy	\$1,078	\$5,302	392%
Knee Arthroscopy	\$1,894	\$10,311	444%
Shoulder MRI (w/o Contrast)	\$320	\$3,155	886%
Sleep Study	\$567	\$6,098	975%
AVERAGE VARIANCE			696%

Our client rolled out a high-deductible health plan with HSA program in 2014 to help reduce costs. However, plan design alone was not enough. It was clear that employees needed an easy-to-use cost and quality solution to get the most from the new benefit.

“ We couldn't tell our employees to bear more responsibility for their healthcare costs and not offer them a benefit that helped them become smarter healthcare consumers.”

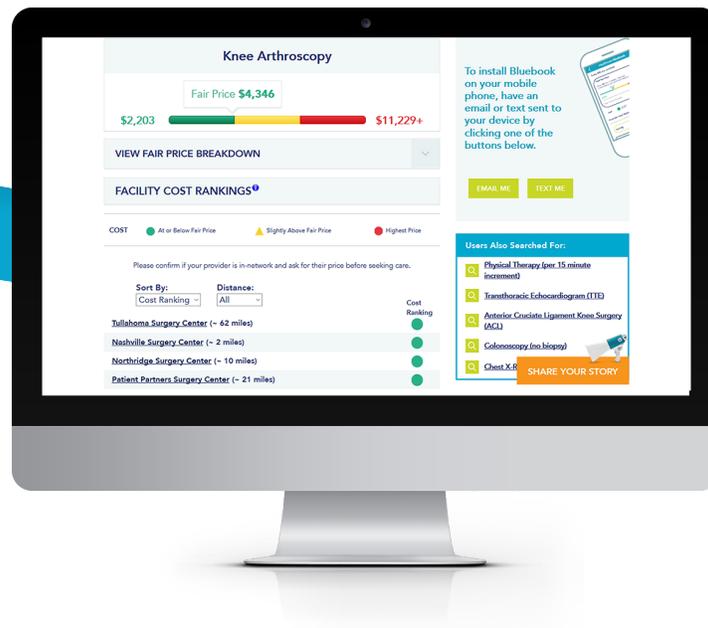
- Vice President of Compensation and Benefits
Enterprise Bluebook Client

IMPLEMENTING THE SOLUTION

Although Healthcare Bluebook was initially introduced to this client in 2013, the company went in a different direction and chose another vendor. Unfortunately, the vendor could not implement on time, delivered poor utilization, and failed to provide an ROI. Bluebook was invited back to the table in 2016 to continue the conversation.

“Bluebook seemed almost too simple when we first evaluated it in 2013,” said the VP of Compensation and Benefits. “I now realize that its simplicity is by design and part of Bluebook’s benefit. Two clicks and I get the results I want. It’s easier for employees to navigate, and the look and feel is familiar to them as everyday consumers.”

With only 15 total hours of the client's staff involvement, Bluebook implemented on time, enabling the organization to cut healthcare costs by empowering its employees to quickly and easily navigate to high-quality, cost-effective facilities and physicians within its networks.



After implementation, our client’s employees and their families quickly took to Bluebook with an 8% average monthly utilization rate in 2017. HR and benefits managers were able to easily communicate the benefits of Bluebook and drive engagement using the resources in *Bluebook Central*, a comprehensive library of turnkey co-branded communications materials including personalized messaging, employee contests, email templates, on-site marketing tools, and more.

To further help accomplish high utilization and a positive ROI, our client chose to initiate Healthcare Bluebook’s integrated incentive program *Go Green to Get Green™*, which rewards employees for shifting from high-cost to high-value “green” facilities without any burdensome fulfillment work for the client’s staff. The program reinforces the type of consumer behavior that leads to cost savings for both employees and the employer.

“I would absolutely recommend Bluebook. It’s a really great tool, super user-friendly. I work with a lot of our vendors, launching different types of programs... The Bluebook team is the best in terms of making our jobs easier.”

- Benefits Manager
Enterprise Bluebook Client

MEASURING RESULTS AND ROI

When it came time to bring on a new online healthcare shopping partner, Bluebook made a minimal impact in terms of additional work for internal HR, benefits, and finance personnel. Our implementation process involves only 15 total hours of our clients' time and is backed by our perfect track record of on-time implementations for all enterprise clients.

Using the *Bluebook Analytics* dashboard and regular client services communications, our client learned that their first-year investment delivered a 160% ROI, helping them break even on their initial investment and even begin cutting healthcare costs in year one. Every time an employee uses Bluebook to shop for many common medical services, our employer saves an average of \$1,500.

To raise employee awareness and engagement, *Bluebook Central* education and communications materials helps our client's employees understand cost and quality variability among facilities and become smarter healthcare consumers in meaningful ways. Meanwhile, Bluebook's *Go Green to Get Green* integrated incentive program reinforces good consumer behavior by rewarding employees for shopping and choosing value over cost. Education and incentives work together to create an enhanced employee experience and maximize this client's return on investment.



“*The Healthcare Bluebook team delivered on their promises while keeping problems off my desk. It's been a terrific solution to help us reduce our healthcare spend.*”

- Vice President of Compensation and Benefits
Enterprise Bluebook Client

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