

## **SWITCHING TO BLUEBOOK: A LEADING INDUSTRIAL DISTRIBUTOR ENJOYS 160% INITIAL ROI WITH BLUEBOOK AFTER LOW UTILIZATION, BROKEN PROMISES AT TRANSPARENCY COMPETITOR**

One of the nation's largest industrial distribution employers sought out a new healthcare shopping partner after facing near-zero utilization, poor employee satisfaction, and dissatisfying ROI with a well-known transparency tool vendor. With Bluebook, the client cut their rapidly rising healthcare costs an average of \$1,500 every time an employee shopped for more cost-effective care and enjoyed an 8% average monthly utilization rate in 2017. Most importantly, the move to Healthcare Bluebook resulted in a hard dollar 160% first-year ROI.



## WHY WAS THE EMPLOYER LOSING MONEY?

Like most large self-insured organizations, the benefits and finance managers at this 9,000+ employee company were confronted with increasingly difficult healthcare cost challenges including:

- ✓ Average annual premiums for family coverage have increased by 55% since 2007<sup>1</sup>
- ✓ Employer healthcare costs are expected to rise by another 6% in 2019<sup>2</sup>
- ✓ Employee deductibles have increased by 300% on average since 2006<sup>1</sup>

The company introduced a consumer-driven health plan in 2014 to help keep costs at bay, but it quickly became obvious that company leadership needed to take more action to further cut rising healthcare costs.

 *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

## A DISAPPOINTING COMPETITOR EXPERIENCE

To help address their problems, the employer evaluated different healthcare transparency vendors in 2013, including Bluebook. Ultimately, the company chose to partner with another vendor selling a hub product with cost transparency as an optional "add-on" among multiple other service lines.

Problems became obvious from the beginning with low utilization rates. When employees finally ended up using the product, they discovered the competitor's cost estimate model was systemically flawed and delivered a poor user experience.

"We found that it was a problem when our employees went to their appointments, their charges didn't match up with [the competitor's] exact estimates. Any number of things could impact the actual amount," said the company's Benefits Manager. "Additionally, there was very, very low utilization with [the competitor] and even states where we have huge populations and couldn't use the tool as it was explained to us," the Benefits Manager added.

Finally, low ROI plagued the business relationship for years, due in large part to poor utilization, exorbitantly high costs, and hidden fees levied by the competitor. "The return on investment that [the competitor] promised throughout the negotiation phase just wasn't there," added the VP of Compensation and Benefits.

## A SECOND LOOK AT BLUEBOOK

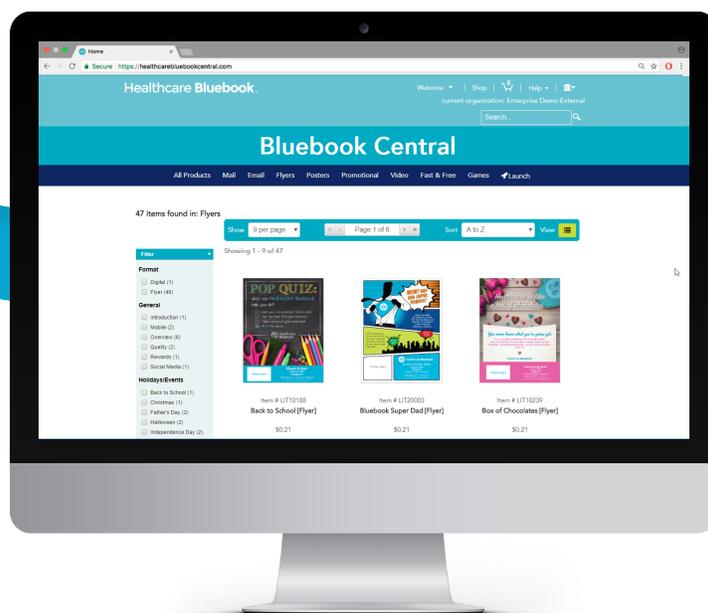
After terminating their relationship with the competitor, the company's benefits leaders became hesitant about offering transparency until learning that it was still one of the most popular Total Rewards benefits among employers today. The client decided to take a second look at Healthcare Bluebook as they began their search for a new healthcare shopping and transparency partner with a focus on member utilization and hard dollar ROI.

"Bluebook seemed almost too simple when we first evaluated it in 2013," said the VP of Compensation and Benefits. "After our experience with [the competitor], I realized that its simplicity was 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."

In stark contrast to our competitors, Bluebook is built around an exclusive color-coded visual cueing system. Providing price ranges using a familiar green, yellow, and red format and indicating a Fair Price™ estimate lets employees know what they should expect to pay for a procedure at specific facilities near them without setting false expectations. Our interface is a proven method for providing an intuitive, consumer-friendly experience for employees at more than 4,500 private and public organizations nationwide.

## IMPLEMENTING HEALTHCARE BLUEBOOK

Our client went live with Bluebook after an implementation that only required 15 hours of internal staff time. After implementation, our client's employees quickly began using Bluebook to conveniently navigate to high-quality, cost-effective facilities and help cut healthcare costs for their employer. Within year one, our client saw an 8% average monthly utilization rate among its members.



HR and benefits managers used *Bluebook Central*, a database of turnkey communications material, to easily spread the word about Healthcare Bluebook among employees and start driving engagement from day one. *Bluebook Central* materials include personalized messaging, employee contests, email templates, on-site marketing tools, and more.

Our client's leadership also decided to use *Go Green to Get Green™*, Healthcare Bluebook's integrated incentive program, to reward employees for shifting from high-cost to more cost-effective "green" facilities and providers, resulting in accelerated overall healthcare savings for 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

Bluebook's primary goal was to successfully introduce a healthcare shopping solution to our client's employees after a poorly performing vendor attempted to do the same, which can be a difficult task for any benefits partner.

Thanks to the *Bluebook Analytics* dashboard, our client discovered that their initial investment delivered a 160% ROI with 8% average monthly utilization rates in 2017. Each time an employee uses Bluebook to shop for many common medical services, our client continues to save an average of \$1,500 to further reduce their total healthcare spend.

Bluebook's commitment to our solution's ease of use provided our client's employees a program that is simple to use for consumers of all ages and backgrounds, while *Bluebook Central's* communications materials and the *Go Green to Get Green* integrated incentive program made it easy to engage employees with Bluebook and begin cutting healthcare costs from day one.



“*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

**Don't limit your ability to save on healthcare costs.  
Contact us to start saving now.**

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