



Cutting Costs, Transforming Care:

How ParetoHealth's self-funding solution helps a Midwestern counseling and guidance resource reduce costs and deliver better benefits.

In 1994, Northwest Counseling and Guidance Clinic (NWCGC) began providing quality mental health treatment programs to communities throughout the Midwest. NWCGC has since evolved to serve more than 200 children and families across 13 communities.

It's been no easy feat.

NWCGC relies on the expertise and well-being of its mental health professionals to fulfill its mission. In 2019, faced with climbing healthcare and pharmacy costs, the clinic's leaders needed to rethink their employee benefits for the health of the organization, their staff, and their patient population.

Self-funding isn't a one-size-fits-all solution.

Before joining ParetoHealth, NWCGC was under a bundled administrative services only (ASO) arrangement, which meant the clinic purchased stop-loss and administrative services from an insurer.

Catastrophic claims were just around the corner, constantly placing NWCGC and its operations at risk. With little protection, increasing premiums, and lasers looming on the horizon, the clinic knew it needed a better solution.

With the strongest stop-loss structure on the market, ParetoHealth's self-funding solution provides a sustainable alternative to NWCGC's ASO approach and ensures robust protection against large, ongoing claims.

"The leadership team at NWCGC was very concerned not only about the potential of large claims, but also that they did not have ready access nor true transparency to their own claims data," says Stephen Hansen, RVP of Sales at ParetoHealth.

The organization officially made the switch in 2020 – and hasn't looked back.

"The 30% rate cap and no new lasers was crucial to our decision," says Jeff Raschke, General Manager of NWCGC. He adds, "Our experience overall has been great."

The numbers speak for themselves.

With ParetoHealth's solution, stop-loss insurance only accounts for about 25% of a Member's overall costs. As a result, any yearly premium increases have a much lesser impact on the Member and their plan.

¹No new lasers, guaranteed, as long as you're a ParetoHealth Member

NWCGC's experience has been no different. **The clinic saw a stop-loss premium increase of 9.5% in their first policy year, equal to a mere 2% fully-insured increase.** By previously being under an ASO plan, NWCGC may have seen some premium savings – but the high administrative costs of this bundled approach would render them null and void.

"ParetoHealth allows us opportunities to enroll in programs that typically we would have been rejected for due to our size."

By opting into ParetoHealth's Rx Consortium (PRxC) PBM solution, the group saw significant cost savings. In 2022, their rebates reduced their plan paid amount by 52%, that otherwise would have been profit for the fully-insured carrier. Plus, their PMPM in 2023 was \$78 compared to \$100 PMPM in the year before they joined the captive.

Even with a population increase of 20%, utilization increase of 11%, and specialty drug users increasing from 1 to 3, their total Rx spend decreased by 12% in 2023 - a clear indicator of improved contracted pricing with PRxC. Plus, they are on track to save even more in 2024 and 2025.

It's All about Connection.

For NWCGC, the benefits are just the beginning.

Jeff Raschke sees the value in connecting with other Members in the ParetoHealth community, especially at ParetoHealth's annual Members' Meetings.

“The other advantage is the annual conference. Not only are you able to speak directly to the vendors regarding their programs, but you are able to speak with current users to see how they are utilizing and benefiting from the additional programs.”

At ParetoHealth, community is who we are, and building better benefits is what we do. Stephen Hansen has witnessed this open, collective mindset first hand.

"Members like NWCGC are always thinking long term, evaluating all opportunities that ParetoHealth brings to the table."

Reach out to us learn more if you're interested in making the switch to a sustainable solution so that you can focus on what matters most: your business, and your employees who make it happen.