

MERCER HEALTH ADVANTAGE™ HELPS CONTROL COSTS AND IMPROVE PATIENT OUTCOMES

Faced with rapidly growing annual medical spend, a large aerospace company turned to Mercer for an innovative solution.

With annual medical plan spend increasing up to 15% per year, this large national employer knew that a growth rate this steep was not sustainable. The company needed a new way to not only contain its costs but also introduce an effective care management program to help improve the health of its employees.

KEY CHALLENGES

- Care management that starts and stops with hospitalization.
- Fragmented care with no coordination between providers.
- Few management programs in place, and stakeholders skeptical about the value of disease-management programs.
- Recently implemented consumer-directed health plan (CDHP) only beginning to manage cost increases.
- Agreement among numerous stakeholders needed to invest in a potential solution.



SOLUTION

Mercer partnered with the company to add Mercer Health Advantage™ to its benefits offering. As part of the implementation, Mercer provided ongoing education about the program's development and shared business cases to demonstrate the potential cost savings in order to gain commitment and support from key stakeholders. The key advantages for the client included:

- Savings from intensive care management, high-value networks, and coordinated chronic care.
- Plan design flexibility, financial control, and preferred fees and guarantees.
- Ability to retain current carrier, with oversight by Mercer.

RESULTS

With Mercer Health Advantage, the client was able to realize not only significant savings, but also improved employee health outcomes for those members actively engaged in the program.

Within the first two years of implementing Mercer Health Advantage, the client saw:

- **42%** reduction in in-patient admission rates.
- Nearly **50%** reduction in average length of stay.
- **17%** reduction in 30-day hospital readmission rate.
- **20%** reduction in allowed cost per member.
- **2%** decrease in emergency room visits.
- Return on investment of **3.2 to 1**.