

8 Years, No Increases to Employee Health Plan Contributions



ROUNDSTONE

THE CLIENT

Roundstone Insurance
Innovative Health Benefits Company
www.RoundstoneInsurance.com

Lakewood, Ohio

Enrolled Members: 236

MISSION

Affordable, Quality Healthcare for All.

ABOUT ROUNDSTONE

Roundstone, led by President and Founder Mike Schroeder, is an innovative employee health benefits company that helps small and midsize organizations offer competitive health benefits at a lower cost by self-funding their health insurance through the Roundstone Captive.

The Roundstone Captive enables companies to self-insure safely by pooling hundreds of employers together to share risk and save money. With easy onboarding and personalized support every step of the way, the Captive offers control, flexibility, transparency, and returns all savings back to employers where they belong.

Roundstone believes in always aligning with the employers' best interests and remain committed to our mission – quality, affordable healthcare, and a better life for all.

THE PROBLEM

Like other midsize businesses it serves, Roundstone faced the challenge of providing affordable healthcare for its own employees. And also like many companies in their position, Roundstone initially relied on a traditional fully-insured health plan from a big-name insurance carrier. But as their employee numbers grew, so did their premiums. When Roundstone reached about 35 employees, they saw double-digit premium increases that made a fully-insured plan unsustainable. It was time to make a change.

THE SOLUTION

Roundstone turned to its own self-funded health benefits solution: the Roundstone Captive. By joining the Captive, Roundstone teamed up with hundreds of other employers to share risk and save money. Large corporations have been self-funding for decades, and the Captive is an innovative funding model that allows smaller companies to enjoy the same advantages.

In the Captive's three-tiered model, Roundstone pays for healthcare costs up to a specific deductible, shares some costs above that deductible with other employers, and shifts costs to a stop-loss carrier to cover high-cost or catastrophic claims.

The other big advantage of Roundstone switching to self-funding is the ability to customize its health plan. The company selected Bywater, its in-house Third-Party Administrator (TPA) to design, administer, service, onboard, and manage the health plan. Over time, Roundstone built in wellness incentives, care navigation services, and other cost containment solutions to optimize utilization. As a result, they were able to keep excess funds generated from lower-than-expected claims and use it to lower plan costs.



“From the very beginning, we said whatever surpluses we have in the claims account, we were going to put some of it aside for the future and the other half of it back toward the employees and their cost share.”

- **Michael Schroeder**
FOUNDER & PRESIDENT OF ROUNDSTONE

Year	Employees	%	Employee Cash/Claims Account	%	Employee Cost/Pay	%
2015	23		\$65,216		\$68,55	
2016	23	0%	\$97,205	49%	\$69,81	2%
2017	29	26%	\$138,585	43%	\$55.68-\$66.18	1%
2018	31	7%	\$197,332	42%	\$55.68-\$66.18	0%
2019	39	26%	\$251,504	27%	\$55.68-\$66.18	0%
2020	43	10%	\$303,834	21%	\$55.68-\$66.18	0%
2021	58	35%	\$343,580	13%	\$55.68-\$66.18	0%
2022	83	43%	\$394,062	15%	\$55.68-\$66.18	0%
2023	97	17%	\$455,120	15%	\$55.68-\$66.18	0%
2024	128	11%	TBD	TBD	\$55.68-\$66.18	0%

Through participation in its own self-funding group captive, Roundstone employees have seen no increase in their premium contribution for 8 straight years.

This approach allowed them to break free from the constraints of traditional insurance and gain greater control over their healthcare costs, resulting in affordable coverage for their employees without premium contribution increases for the last 8 years.

THE RESULTS

Roundstone’s transition to their own self-funded group captive has provided major cost savings and positive outcomes. The company was able to stabilize healthcare expenses and avoid the merry-go-round of premium increases every year with no explanation for them. Clear visibility into claims data now gives them insights, allowing them to be both proactive and reactive in controlling costs.

Surplus funds generated from unused claims allowed Roundstone to invest in employee benefits and reduce their cost share. Mike is proud of the fact that his employees have not faced a premium contribution increase for 8 straight years.

Mike explains, “Employees have been able to keep their annual raises, unlike in many other companies where raises are eaten up by increases in health insurance premium costs.”

With the implementation of additional benefits like an incentivized **well-being program**, some Roundstone employees actually pay less: “Their out-of-pocket expense is less when they participate in the wellness programs. For example, if an employee started out paying \$100, and they participated in the wellness programs, they could be paying \$90 today.”

The overall results of switching to the Roundstone Captive include:

- 5-year cumulative savings of \$1,132,950
- 5-year surplus actual vs. expected costs
- 8 straight years of no increases in employee costs
- Employees keeping raises in their pockets rather than covering premium increases

HOW ROUNDSTONE SUCCEEDS

So how has Roundstone achieved these outstanding results? Chad Buskirk, Roundstone's CFO chalks it up to the fundamental elements of self-funding, like [data transparency](#) and [flexible plan design](#).

But the most important factor is treating healthcare as a long-term strategy, building it gradually over the years, informed by data insights, and allowing the benefits to compound. He says, "Over time, you make improvements and those improvements just pay off – you reap the rewards and they steadily grow."

If you think about building a high-performance health plan like building a house, year one builds the foundation for the plan with a focus on developing plan language and implementing the initial coverages.

Year two is like building the four walls, adding in plan incentives and specialty networks based on plan reviews and data. Finally, in year three, group members put a roof on their plan by continuing to focus on data analytics and reviewing vendors and partners for optimal coverage.

Roundstone has used self-funded insurance to lower healthcare expenses and provide employees with high-level coverage at an affordable cost by implementing the following:

- **Proactive cost containment.** Taking measures such as claims review, care navigation, employee assistance program, and data-driven plan optimization.
- **Flexible plan design and data transparency.** Using flexible plan design to craft a more traditional HDHP with a \$3,000 deductible and an HSA contribution while using claims data to tweak the plan as needed to ensure excellent coverage and cost.
- **Variable vs. fixed costs.** Taking advantage of self-funding's [85% variable costs](#) and [15% fixed costs](#) to provide a baseline of benefits with added incentives to lower out-of-pocket costs for employees, such as offering well-being programs with incentives that can reduce the employee share by \$15/ paycheck, up to 10% of the employee contribution. In Roundstone's plan, each well-being incentive earns a 2.5% discount, so employees can participate at the level they prefer.
- **Effective use of surplus claims funds.** Using cumulative surplus to limit or avoid increasing employee share of costs year over year.

EXPERIENCE THE ROUNDSTONE DIFFERENCE

Roundstone's shows that the average SMB saved 20.5% over their traditional insurance plan while their expected costs came in at just 94% of the average expected cost for coverage. This reflects Roundstone's commitment to providing high-quality health coverage while ensuring premiums remain affordable for every employee. If you're ready to stop overpaying on premiums and get customized healthcare coverage for your employees, take Roundstone's lead and join a group captive insurance plan.

Employers in the Roundstone Captive save an average of 20% over a traditional fully insured plan. Roundstone is so confident that your company will save money that they offer the Roundstone Guarantee, which states that you will save money in the first 5 years — or they'll make up the difference.

[Request a proposal](#) and free benchmark review today to learn more!



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