

## Case Study

# Mid-Sized Manufacturing Firm Achieves Health Benefit Cost Savings, Defying Industry Trends



HOMESTEAD  
SMART HEALTH PLANS

## The Challenge

A mid-size manufacturing firm with 250 employees on the plan faced a 27% increase in their health benefits at a time of renewal – *an increase that was more than their profit from the previous year*. They were faced with their \$5.2 million health care expense rising to \$6.6 million.

## The Results

By switching to a Homestead RBP plan, the firm went from a \$6.6M renewal to \$4.2M in spend, saving \$2.2M the first year.

### 35% savings

in the first year.

### 9 years later

actual RBP costs are still lower than initial PPO renewal.

### Employee contributions remain flat

with lowered OOP expense for employees – including waiving all but co-pays for certain preferred providers.

### Invested in the first, new major piece of equipment for the plant since WWII

with the savings from the RBP switch

Annual Costs and Savings:  
Homestead RBP  
vs. Traditional PPO  
10 year savings =  
**\$39,212,576**

