Case study

Nonprofit uses cost strategies to improve employee health — and its bottom line

Organization: **Children's Friend**

Industry: **Human services nonprofit**

Location: **Providence, Rhode Island**

Number of employees: **≈400**

Faced with yearly double-digit increases in health benefit costs and limited plan flexibility, Children's Friend – a nonprofit dedicated to supporting vulnerable children and families – transitioned to a self-funded plan administered by UnitedHealthcare to enable more strategic plan design, improved health outcomes and lower costs.

Situation

- Children's Friend had been seeing double-digit health benefit cost increases year after year
- Employee health care engagement was low
- As a nonprofit with limited salaries, Children's Friend sought to offer a quality health plan without passing costs on to employees

Action

- Switched from a fully insured plan to a self-funded plan administered by UnitedHealthcare in 2016, giving them more flexibility to manage costs, expand wellness programs and improve employee engagement
- Implemented a plan design that encouraged preventive care to help proactively manage care, contain costs and support better health outcomes
- Created wellness incentives to engage employees and their eligible covered family members in healthier activities and lower their out-of-pocket costs

Results

$2M+ in health care cost savings since 2016

$0 increases in employee health plan contributions since 2006

24.6% higher percentages of adults with a wellness visit between 2024–2025 compared to UnitedHealthcare norms

continued

Caring for employees like family

As Rhode Island's oldest child welfare organization, Children's Friend has a long-standing legacy of supporting the state's most vulnerable children – those facing abuse, neglect, poverty and instability, which represent 90% of the population they serve. That deep commitment to care extends to their employees, too.

"We believe kids grow and develop best when they're in a strong and stable family," says President and CEO David Caprio. "We try to recreate that strong family environment for our employees here at Children's Friend."

As a human services nonprofit, Caprio says that people are both its biggest asset and biggest expense: 75% of the Children's Friend budget goes to salaries and benefits.

Despite economic pressures facing employers, Children's Friend has remained committed to maintaining the quality of its health benefits without shifting costs to employees. Instead, by partnering with their broker and UnitedHealthcare, they've implemented more effective benefit strategies.

Taking a strategic approach

To help control rising health care costs, in 2016, Children's Friend switched from a fully insured health plan to a UnitedHealthcare-administered self-funded plan built around the primary care provider (PCP) relationship.

Children's Friend employees and covered family members are incented to build a close relationship with their PCPs through benefits like $0 copays for using quality, cost-efficient providers and 24/7 Virtual Visits. As a result, this group has seen above-average preventive care utilization, with a 99.9% network utilization rate, 4% higher Tier 1 provider usage, 24.6% more wellness visits and 53% more virtual visits, compared to UnitedHealthcare norms.

This approach works to deliver both better health outcomes and lower costs. Members who used providers specifically designated for delivering quality care experienced 38% fewer emergency department visits, 22% fewer inpatient admissions and 23% lower risk-adjusted per member per month costs.[1] Built-in clinical strategies help identify and engage at-risk employees, like those with type 2 diabetes, in programs designed to improve their health.

Inspiring wellness

"Something that makes our health plan unique is all of the wellness benefits that we've added over the years, like a weight-loss program and second-opinion services," says Benefits and Employee Experience Manager Julie Colangeli.

> **"Being able to have control over those health benefits costs is extremely valuable in delivering on our mission."**
>
> **David Caprio**
> President and CEO
> Children's Friend

Wellness incentives also help lower costs for the group. Employees have their deductible waived if they complete 5 healthy activities during a certain timeframe. Children's Friend also has a wellness committee of about a dozen employee volunteers, who coordinate free wellness activities for their colleagues.

To help staff cope with the stressful kind of work they do, behavioral health benefits include an Employee Assistance Program and 3 no-cost counseling sessions a year.

Working together for better results

A successful health benefits strategy like this one is no accident. At regular meetings, Children's Friend staff discuss claims trends and employee survey results with their broker and UnitedHealthcare team to fine-tune their plan and benefits.

"They know us, they know our people, they're on our wellness committee," Caprio says. "We don't go into those meetings where they tell us we have to increase our employee copay because that's not going to happen. Instead, it's more of a conversation: 'Here's an idea, here's a strategy, here's a new tool we have.'"

The result of that ongoing collaboration is a benefits package that keeps getting better – one that Children's Friend is proud to offer to its close-knit family of employees.

"Our benefits package is one of the most important things that Children's Friend does. It's really part of our commitment to making Children's Friend a great place to work," says Colangeli.

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[1] Results based on the utilization of highly efficient Premium Care Physicians versus other same-type surgeons who are not highly efficient Premium Care Physicians. PMPM = Per member per month. Low Premium provider utilization = less than 75% of all eligible charges for Premium providers. High Premium provider utilization = 75% or more of all eligible charges for Premium providers. 2023 UnitedHealthcare Network (Par) Commercial Claims analysis for 172 markets. Rates are based on historical information and are not a guarantee of future outcomes.

This case study is true. Savings calculated on book-of-business case rate savings for these programs. Savings for enrolled members are case specific. Results will vary based on client-specific demographics and plan design. Results will vary depending on the state where the insured policy is issued and the amount of engagement by employees.

24/7 Virtual Visits is a service available with a Designated Virtual Network Provider via video, or audio-only where permitted under state law. Unless otherwise required, benefits are available only when services are delivered through a Designated Virtual Network Provider. 24/7 Virtual Visits are not intended to address emergency or life-threatening medical conditions and should not be used in those circumstances. Services may not be available at all times, or in all locations, or for all members. Check your benefit plan to determine if these services are available.

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