



# Case Study:

## Strategic Plan Redesign & Cost Containment for a Property Management Company

### Challenge:

When the property management company partnered with KBIC in the fall of 2023, they were facing a projected 30% renewal increase on their existing \$1,000 copay health plan through their current third-party administrator (TPA). The plan design was not aligned with actual employee utilization, resulting in unnecessary costs and inefficient use of premium

**'KBIC recommended a strategic shift to a \$6,500 HSA-compatible plan'**

### Client:

Property Management Company in the Indianapolis Area

### Engagement Start:

Fall 2023

### Services Provided:

Health and Welfare Management

**11%**  
year cost reduction<sup>2-</sup>

### Solution:

KBIC conducted a thorough review of the company's claims data, which revealed that very few members were hitting their deductible thresholds. This indicated the group was overinsured under their existing plan. KBIC recommended a strategic shift to a \$6,500 HSA compatible plan, which significantly reduced the fixed premium costs - This adjustment reduced the increase to near 0%.

To balance the shift in plan design and maintain employee protection, KBIC designed a Deductible Reimbursement Plan (DRP), allowing the company to take on additional risk in a targeted, controlled manner. The DRP was structured to cover key deductible expenses for employees, effectively offsetting the higher out-of-pocket liability on the new plan. Many claims that would have previously been absorbed by the plan were now efficiently paid through the employer-funded DRP, further driving down plan costs.

## Year Two Results:

In the second year of engagement, KBIC worked with the client's broker to quote the plan and secured a cost reduction of roughly 11% by transitioning to a different insurance platform. Changing the service provider not only reinforced long-term sustainability of the strategy but also improved plan competitiveness in the market.

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### Why KBIC:

As KBIC's founder, Andy Kaelin, always says – “If brokers did everything they should do, when they are supposed to do it, and clients did everything they ought to do, KBIC would not be in business. We live in the vacuum that exists because these two variables rarely coexist

While any plan sponsor and their broker could have designed this plan, KBIC's expertise lies in execution and employee enablement. From modeling DRP liability to implementing the service provider transition, KBIC ensured a seamless rollout. Most importantly, KBIC led a tailored employee education campaign to ensure staff understood the nuances of the new plan design, including how to effectively navigate the HSA and DRP components.

### Client Feedback:

“Several of my co-workers came up to me today to talk about how impressed they were with the plan you put together along with your presentation yesterday. Appreciate all your effort on this.”

— Operations Manager, Property Management Company in the Indianapolis Area

### Impact:

- Avoided 30% renewal increase
- Introduced long-term cost containment strategy
- Secured service provider changes with costs savings
- Aligned plan design to encourage low risk member behavior
- Improved employee understanding and satisfaction

