

Case Study: Multi Services Group International

Cigna's Level FundingSM solution pays off for MSGI



Multi Services Group International (MSGI) is a systems engineering company that provides information technology services to Federal agencies, including the department of defense, state agencies and commercial clients. MSGI's main office in Tampa, Florida, employs 70% of its workforce, and the remaining 30% work in offices in three other states and five continents overseas.

Goal – better cost control

MSGI was looking for a health care company that could help it get more control over its health care spending. Specifically, it was looking to:

- Lower its medical costs by improving their claim experience
- Benefit from reporting tools to better understand where its health care dollars were being spent
- Offer identical health plans throughout the organization – across state lines
- Participate in claim savings when it had a good claims year
- Have better budget control through predictable monthly payments

Solution – Cigna's Level FundingSM

Beginning in 2008, Cigna worked with MSGI to implement the Level Funding product for its employee health plan. Features that MSGI immediately found beneficial included:

- Preset monthly payments based on the number of plan participants
- The ability to receive an administrative fee credit if claims are less than anticipated
- *Health Plan Performance Reports* show exactly where health care dollars were spent
- Cigna's monthly newsletter, *VitaMin*, educating employees about making healthy choices and informed health care decisions

MSGI's Cigna account manager meets with company representatives twice a year to review the claims reporting. This gives MSGI the opportunity to adjust its plan based on utilization data and educate employees about how to best use their plan. For instance, MSGI was able to identify two key areas needing education: the cost advantage of staying in-network and using Cigna Home Delivery Pharmacy. Improvements in these two areas benefited both MSGI and its employees.



Level Funding solution pays off

As a result of its positive claim experience, MSGI received a **\$24,000 administrative fee credit** for its first year results, which equated to a 7% discount on its renewal. MSGI also received a **\$54,000 credit for its second year** and will receive a **\$6,500 credit for 2011**, for a three-year savings of more than **\$84,000**. What's more, employer costs have remained virtually flat over the three-year period, with no payroll contribution changes and no benefit changes.

The commitment from top management to employees' health and well-being was an important factor in MSGI's success. Because of this commitment, employees were not only receptive to the information and programs being offered, but also eager to participate. MSGI also has a personal trainer who works with employees twice a week at their Tampa office. The trainer has been a positive addition to keep employees focused on their health and well-being.

MSGI's commitment to wellness, coupled with Cigna's Level Funding product, put it in the best position to have healthy employees and lower health care costs. Through its innovative self-funding solutions, Cigna has been helping smaller companies like MSGI improve employee health and save money for over 25 years.

MSGI health coverage costs have remained virtually flat since 2008, with no payroll, contribution or plan design changes.

For more information, please contact your Cigna sales representative.

Employer facts

- Health coverage for 64 employees working in four states and overseas (70% of employees in Tampa).

Actions

- In 2008, MSGI implemented the Level Funding product for their employee health plan.
- Employer pays 100% of employee premiums.
- Preventive care is covered 100% after copay.
- Health Plan Performance Reports are provided for paid claims, large claim issues and detailed utilization trends.
- Monthly VitaMin communication sent out by HR department offers regular health and wellness updates.
- Personal trainer keeps employees focused on health and well-being.

Results

- In year one, MSGI claims ran at 83% of budgeted claim funding, which resulted in a \$24,000 administrative fee credit. In year two, MSGI ran at 68% of budgeted claims funding, receiving a credit of \$54,000. During their third year, they will receive a credit of \$6,500, for a three-year savings of more than \$84,000.
- The usage of generic prescription drugs increased by 74.8%.
- Emergency room usage decreased by 12%.
- Mail-order utilization increased by 4%.



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