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Case Study

# CASE STUDY

## NOVA ENGINEERING AND ENVIRONMENTAL

Highlight

**300 - Employee Engineering Firm Switches Health Plan from Fully Insured to Self-Funded, Saving Hundreds of Thousands**

Overview

NOVA Engineering and Environmental, is a general engineering contractor that specializes in environmental engineering and material testing. The firm has approximately 300 employees operating across 29 states and international locations.

**“We were looking for creative ways to be more efficient with our medical plan spend and drive more value out of our employee benefit plans,” says Randall Bagwell, President at Nova Environmental Engineering.**

The Challenge

Receiving their health benefits through a professional employer organization (PEO), NOVA Engineering and Environmental had no control over their fully insured health plan. There was no room for flexibility in plan design, and if the plan had a good claims year, no opportunity for financial gain as a result. With a large workload and competing in a tough labor market, the company wanted to prioritize competitive benefits and compensation, along with more predictable – and tolerable – healthcare costs.



## Details

Thanks to Arista's longstanding experience working with clients in the engineering field, their existing relationship with the ACEC Life/Health Trust allowed Nova to receive unheard-of contract features, including:

- Four months of free administrative services.
- No exclusions on large claimants at renewal, also known as no lasers.
- A 15% annual premium rate cap (industry norm is up to 60%).

## Results

Arista used extensive data analytics to monitor plan performance and further drive down costs. Coupled with utilizing the largest architecture and engineering benchmarking tool in the country, Arista's ability to monitor the data provided by the partially self-funded model allowed them to:

- Move Nova from four cumbersome medical plans down to two efficient ones.
- Increase enrollment in Nova's HSA from just five employees to more than 75% of plan participants.
- Carve out the Pharmacy Benefit Manager (PBM) saving the company 25% on their pharmacy spend with no changes in benefits.
- Continue to beat expected claims cost saving hundreds of thousands of dollars.



**Increase** of HSA enrollment participants

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