

Data-focused health plan helps Maryland dealer save money

By Melissa Burden

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Chris Ourisman felt frustrated and powerless with little information or control over what was really driving soaring health insurance premiums for his dealerships' employees.

With premiums earlier this decade rising at rates of 18 percent, 22 percent and 6 percent annually, Ourisman wanted a better option. So nearly four years ago, he made the switch to a health insurance company that provides monthly data reports on how dollars are being spent by the self-funded plan.

The change, Ourisman said, has allowed him to better manage the most important benefit he offers employees: health care.

And while the amount saved has been significant — \$716,000 and counting — it wasn't the motivator for Ourisman, president of seven dealerships for Ourisman Automotive of Marlow Heights, Md.

"It wasn't at first a discussion about economics," Ourisman told *Automotive News*. "It was how do we get in control of our own health care benefits, as opposed to just relying on these huge mega companies to do it for us and we don't really have any opportunity to steer our own ship."

The savings, which began when Ourisman Automotive moved its coverage to WellNet Healthcare of Bethesda, Md., for the 2016 calendar year, have been reinvested back into the health plan to help keep costs down.

Minimal premium increases

With more information on how the plan is performing and what's happening with the population of employees that it covers, Ourisman's stores have had minimal premium increases to the plan, in the low single digits for the past four years, he said.

"As an employer, it's our responsibility to provide the best health care benefit that we can for our team members," said Ourisman, a fourth-generation employee in the family business. "In doing so, there's an old adage: if you can't measure it, you can't manage it. And we needed to be more in control of the process so that we could provide our team members with the best coverage possible for them and their families."



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The Maryland stores on Ourisman's WellNet plan are Ourisman Chevrolet of Marlow Heights; Ourisman Motors of Frederick, which sells Audi, Lincoln and Volvo vehicles under one rooftop; Ourisman Honda of Bethesda; Ourisman Mitsubishi of Marlow Heights; Ourisman Volkswagen Waldorf and Ourisman Subaru Waldorf under one rooftop; Ourisman Volkswagen of Bethesda and Volvo Cars of Bethesda under one rooftop; and Ourisman Hyundai, Ourisman Mazda and Ourisman Nissan in Laurel under one rooftop.

Kyle Balsis, director of human resources and risk management for Ourisman Automotive, said full-time employees at the stores who elect coverage and the group's management team are on the plan. The number covered has varied from 225 to 250 people.

Many employees already have coverage because their spouses work for the federal government, Balsis said.

When Ourisman switched from longtime provider Kaiser Permanente and from a fully insured plan to a self-funded one, it mirrored the former coverage, but made enhancements for employees, Balsis said. In the first year, the cost to employees remained the same, and increases since have been between 2 and 3 percent a year, Balsis said.

"Our employees went from being able to go to seven facilities to being able to go to thousands of doctors, with no referral needed as long as they're in the network," Balsis said.

Balsis, who gets monthly data reports and can request specific items, can track spending on specialists or what types of prescription drugs members are using. Those reports have allowed the dealership group to make changes that help save employees money.

Money-saving changes

In the second year with WellNet, data indicated more employees were going to urgent care. So Ourisman changed its coverage so that a trip to urgent care was not treated the same as an emergency room visit and the cost to employees was dropped to a specialist visit copay.

It also used the data to offer lower-priced generic prescription drugs, Balsis said.

Ourisman said other dealership subgroups under the Ourisman Automotive umbrella are considering switching to WellNet.

WellNet works with customers on a replacement health care plan that is similar to bigger insurance company plans, WellNet CEO Keith Lemer told *Automotive News*.

VALUABLE BENEFITS

Seven stores in the Ourisman Automotive dealership group in Maryland have switched to a self-funded health insurance plan. Not only are they saving money, but Chris Ourisman, president of the stores, said he has more control over and a better understanding of the important benefit he provides employees.

WellNet underwrites the policy and manages the plan.

WellNet has almost 500 customers nationally, including 25 dealership groups.

Some dealerships with WellNet have cut their health insurance expenses by 20 percent, which has helped boost their profit margins by as much as 40 percent, Lemer said.

"With dealer profitability a concern for all, this type of margin improvement allows for additional training, facility upgrades, marketing and floorplan fund allocation," Lemer wrote in a letter to *Automotive News*.

Ourisman Automotive ranks No. 29 on *Automotive News*' list of the top 150 dealership groups based in the U.S., with retail sales of 26,856 new vehicles in 2018.