

Tackling health costs one employee, one tactic at a time

By Elizabeth Galentine

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“The more out of the box, the more exciting it is to me,” Bill Geraci of Sunbury, Ohio-based Metro Area Group Insurance Consultants, says of the cost-saving strategies his boutique consultancy brings to its self-funded clients.

With the majority of the advising business focused on trying to negotiate premiums and other administrative costs, Geraci — who has owned MAGIC since 2007 — employs a wide range of solutions that are centered around driving down claims expenses.

“Everybody gets fixated on the premium rates, but really, at the end of the day, those were already based off of claims experiences, so manage the claims,” he says.

John Remlinger, chairman of the board at Remlinger Mfg. Co., in Kalida, Ohio, has worked with Geraci for more than a decade and has 47 plan participants. “What I like about Bill is, you can tell very quickly that it’s not just a business with him,” he says. “He truly cares about how my employees are doing, health-wise. Plus, he also knows he has to keep costs down to help my company be competitive.”

To start, all of MAGIC’s clients work with Ault International Medical Management, or AIMM. Led by President Deb Ault, the independent medical manager of self-funded plans utilizes data-based predictive modeling to understand the unique needs of each employer group and work with individual employees on effective case management. The results are typically five-figure savings for each AIMM-assisted case, Geraci says.

“Deb is really the foundation of the success of self-funding,” he adds.

Geraci also uses other tactics that are becoming more familiar in the self-funded market, such as working with transparent pharmacy benefit managers that pass drug rebates onto clients instead of keeping them, and regularly auditing health plans to ensure claims are coded and charged properly. By doing the latter, one client saved more than \$6,000 after discovering a doctor’s office had been incorrectly coding a patient’s cancer treatments at a more intensive level than needed. “We caught them trying to up-code the office visit,” Geraci says.

Scott Ormsby of Donald J Lowe & Associates in Cleveland, Ohio, recently had a member who needed dialysis. “The plan’s PBM could provide the drugs cheaper than the provider. Bill got a hold of the doctors and arranged for them to get the drugs needed from the plan PBM instead of where they normally get them,” says Ormsby, who has worked with MAGIC for four years. “Since day one, Bill has always been involved in the day-to-day things.”

Now, MAGIC is becoming even more innovative with plan management strategy by beginning to look into pharmacogenomic testing, which examines how a person’s genes affect their response to medicines. Geraci recalls one plan member with rheumatoid arthritis who is on their third or fourth drug attempting to treat the autoimmune disorder. “I finally said, ‘Hey, come on now, we’re spending 60 grand on these drugs, can’t we maybe see if we can determine the genomic make up, match it with the medication and see which one’s the best fit?’” he says.

Geraci says he’s “trying everything that we can” to help clients control costs, including looking into medical travel for stem cell therapy that’s not yet approved in the United States. One employer’s wife was recently diagnosed with issues stemming from the

Epstein-Barr virus. After some research, Geraci found a facility in San Salvador, El Salvador, that specializes in treating it.

“Whatever we can do to help control those costs, we're just not going to depend on getting network discounts,” he says. “We have to roll up our sleeves. A penny here, a dollar there, it all starts adding up.”

Often, it's a lot more than dollars and pennies. A few years ago, one of his clients, the co-owner of the business, needed a liver transplant. Lasered out of the stop-loss plan, initial estimates for the procedure were coming in above \$1 million. Geraci did some research and was able to find a facility, located near a family member, where the payment was negotiated down to around \$225,000.

“I sell paper for a living. I don't know how to negotiate to get a liver,” says Mark Peluchette, president and co-owner of Liberty Distributors, whose brother needed the procedure. “But Bill really came in and gave us all these centers of excellence and he told me what questions to ask and how to ask.”

Looking toward the future, the biggest issue Geraci wants to tackle is obesity. “I think it's a crisis,” he says. “If we can't get that under control, I really believe our health plans are just going to explode because of the comorbidities.”

He's looking at meaningful wellness plans — even using his brother as a guinea pig for a promising one — and also exploring functional medicine, which focuses on identifying the root cause of diseases. “I don't believe a traditional doctor has all the answers,” Geraci says. “They see a symptom and they try to cure it by giving medications or an operation. Functional medicine doctors go much deeper in trying to find the source of the problem.”

Recently, he approached a client about getting one of its plan participants such treatment for her rheumatoid arthritis. After explaining the benefits, the client agreed to allow the plan participant to get on a waitlist for treatment at the Cleveland Clinic's functional medicine department.

“We really try to drill down to the member and take care of each one individually through case management, through these kind of approaches, so that we can help them,” says Geraci. “If we can help them, then ultimately, we help the employer. If we help the employer, then that stabilizes everything.”