

# CUSTOMER SUCCESS STORY

## Great-West Healthcare helps international law firm reduce the overall costs of employee benefits

GREAT-WEST HEALTHCARE



### COMPANY PROFILE

Kilpatrick Stockton LLP is a full-service, international law firm with eight offices across the Southeast, Mid-Atlantic United States and Europe. For well over a century, Kilpatrick Stockton has provided trusted counsel and forward-thinking legal solutions to clients throughout many industries. Kilpatrick Stockton LLP was formed in 1997 as a result of the merger between Kilpatrick & Cody, founded in 1874 in Atlanta, and Petree Stockton, founded in 1918 in Winston-Salem. Today, Kilpatrick Stockton employs more than 1,000 people, who deliver innovative business solutions and results-oriented counsel for corporations around the world.

*“The amount we save over a fully insured product has definitely been to our advantage. We trend 3 to 5 percent below market every year. The way health care costs are going, that has helped us carve out some of the overhead of health insurance”*

Beth Blundell, Benefits Administrator,  
Kilpatrick Stockton

### BENEFIT NEEDS

Kilpatrick Stockton has a committed, tight-knit culture. The firm rewards this commitment with the most comprehensive benefits possible. Yet, with rising health care costs, providing a high level of benefits cost-effectively, and at the firm's many offices nationwide, is an ongoing challenge.

**Customer:** Kilpatrick Stockton LLP

**Employees:** 1,000+

### Benefit needs:

- With an eye on excellence in all it does, Kilpatrick Stockton strives to take care of its employees with the best benefits available. The firm doesn't sacrifice quality to control costs. Moreover, it needs a plan that will cover employees at offices distributed around the country

### Our solution:

- Great-West Healthcare plans cover Kilpatrick Stockton in all its U.S. markets with comprehensive health coverage and health reimbursement accounts
- Through self-funding, the firm keeps costs 3 to 5 percent below industry average. Stop-loss coverage enables it to mitigate its risk, especially in the case of catastrophic events
- Great-West Healthcare fits with the firm's proactive approach by offering disease management programs and encouraging early screenings, which all drive further cost savings
- Kilpatrick Stockton can count on its broker and Great-West Healthcare representatives when issues arise to successfully resolve issues and continuously find ways to enhance the plan



### OUR ADVANTAGE

For more than a decade, Kilpatrick Stockton has offered its employees health benefits through Great-West Healthcare, now part of CIGNA. With coverage through Great-West Healthcare, the firm extends rich benefits, with strong networks and a health reimbursement account option, to employees in all its markets.

Throughout the length of its relationship with Great-West Healthcare, Kilpatrick Stockton has continuously kept costs under industry averages with a self-funded plan – only partially at first, then completely self-insured starting in 2002. Under the plan, the firm covers actual employee claims each month, instead of fixed premiums. As a result, the firm only pays for administration fees, specific premiums and the amount of coverage it needs up to a set stop-loss amount.

“The amount we save over a fully insured product has definitely been to our advantage,” said Beth Blundell, benefits administrator for Kilpatrick Stockton. “We trend 3 to 5 percent below market every year. The way health care costs are going, that has helped us carve out some of the overhead of health insurance.”

The firm has also reduced costs and enhanced care for employees by taking a proactive approach. It monitors claims levels continuously and makes adjustments that drive even more savings. For example, working closely with its Great-West Healthcare account representative and benefits broker, Lisa Gravelle at Aon Consulting, Kilpatrick Stockton has modified its plan by changing its stop-loss level and implementing a four-tier formulary for pharmacy coverage and medical plan co-insurance measures.

By asking employees to share a percentage of the cost of prescriptions, they are more likely to choose generic drugs, when available, as opposed to brand-name drugs.

Consequently, both employees and the firm save.

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"We have taken a very involved approach to our health care in trying to control costs and also making employees aware that they can, through proactive measures, contain health care costs as well," Blundell said.

Additionally, Kilpatrick Stockton has actively embraced Great-West Healthcare's disease management program, which allows employers to pay only for the members who participate in these services, and gives members a one-to-one relationship with a nurse for more consistency of care. Disease management has been shown to reduce claims costs for employees with specific conditions by an average of \$1,260 per year.<sup>1</sup> The program provides in-depth information on a variety of medical conditions, such as diabetes, asthma, neonatology, oncology, and heart disease, which empowers employees to manage their condition more effectively. They have access to information via a comprehensive Health and Wellness Web site, supplemental educational materials specific to their diseases and to knowledgeable medical staff when questions arise.

Attorneys and administrative staff also participate in an obesity management program, customized by Great-West Healthcare, now part of CIGNA. Insurance companies generally cover weight-loss treatment only for people more than

100 pounds overweight. But Great-West Healthcare teamed with Aon to design a program tied to body mass rather than weight, which enables broader employee participation at Kilpatrick Stockton. Spouses and children participate, as well. Pre-made meals, shakes and other food replacements, typically denied by traditional health plans, are covered, as are nutritional and behavioral counseling and supervision by a medical doctor.

Recently, the firm partnered with Great-West Healthcare and the American Cancer Society (ACS) to send out cancer screenings and brochures and letters from the ACS. Based on claims and employee data, Great-West Healthcare provides reports that indicate employees who might be at risk for cancer based on their demographic information. Those employees receive reminder letters encouraging them to take part in screening. These measures help catch serious illnesses such as cancer early, and possibly reduce care costs.

But even when Kilpatrick Stockton's plan faces catastrophic events, the stop-loss minimizes the impact. According to Blundell, recent catastrophic events would otherwise have brought a much higher financial toll – bringing peace of mind in an industry focused on helping others

reduce risk and liability.

Kilpatrick Stockton also lowers costs through network discounts aggressively negotiated by Great-West Healthcare. In markets where the primary network doesn't offer enough options, such as rural areas, Great-West Healthcare contracts with vendors to provide additional network coverage. Then, it extends a multi-plan discount so that employees and the firm still have affordable benefits when employees seek providers and services outside the network.

Beyond the financial benefits, Kilpatrick Stockton appreciates its longstanding and close relationship with Great-West Healthcare and its broker, both of which are extremely accessible and responsive. Close communication between all parties leads to faster resolution of issues and payments and has resulted in a plan that truly meets the firm's needs.

"Great-West Healthcare has been very accommodating to how we want benefits interpreted and applied to our employees," Blundell said. "When I need assistance, I can quickly get someone who can help me. My account rep is invaluable. They understand where I'm coming from and what pressures I'm under, and help in any way they can to get it taken care of." ■

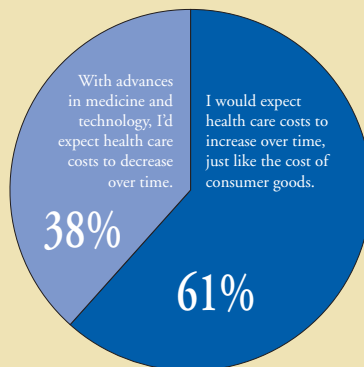
<sup>1</sup> Great-West Healthcare research, 2004

### PREDICTIONS FOR FUTURE HEALTH CARE COSTS

Which ONE of these two statements BEST describes you?

Sixty-one percent expect health care costs to increase over time, just like consumer goods, such as gasoline and a movie ticket.

Source: Great-West Healthcare research survey, July, 2005



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