Efficient and effective negotiations of benefit plan designs begin with the right tool, they begin with BenScan®.

Managing Medical and Prescription Drug Costs

Challenge
Bridgestone Firestone is a global tire manufacturer headquartered in Japan and, as with most companies, managing the increasing cost of medical and prescription drug coverage is a high priority. Recently, Bridgestone began preparing for collective bargaining with the United Steelworkers and wanted to be able to effectively and efficiently negotiate potential plan design changes in the medical and prescription drug benefits that covered both active and retired members of the bargaining unit.

Findley Davies Solution
Findley Davies, Inc. was hired to assist with negotiating changes in the health care benefits and contribution structures. Using BenScan®, a benefits modeler which allows for on-demand “What-if Plan Change Modeling,” Findley Davies effectively modeled changes in wellness benefits, deductibles, multiple tier structures, networks, etc. The multiple year medical and prescription drug forecasting was updated with these changes giving the plan sponsor both short term and long term savings (or costs) related to the changes studied, allowing for efficient “at the table” negotiations between both parties.

Additionally, Bridgestone had an unusual retiree contribution structure that was previously negotiated in the current collective bargaining contract. While the retiree contribution was already negotiated, the actual implementation of the contribution had not been finalized and BenScan® permitted the study of alternative implementation strategies to be agreed to during this collective bargaining contract.

Results
The implementation of the new retirement program was highly successful, meeting both the needs of the employees as well as the hospital’s objectives.

“BenScan® was an effective modeling tool during our collective bargaining with the Steelworkers” according to Jim McDonough, Benefits Manager, at Bridgestone Firestone. “It permitted our bargaining team to study alternative designs while we were in active bargaining. By having an on demand Benefits modeler like BenScan®, we were able to eliminate wasted time going back and forth to our actuary.”