

Average Health Plan Cost Increase for One TPA's Clients Contained to Nearly Half the National Rate

Serving employer-clients across the United States, Cypress Benefit Administrators is having continued success with its efforts to contain health plan costs. The third party administrator (TPA) announced that it was able to keep its clients' rate increases to an average of 3.79% last year, while they went up 7.2% nationally.

(Appleton, WI) – As 2016 brought the largest average rate increase to national health plans in the last five years, Cypress Benefit Administrators was again able to come in below this cost trend on behalf of its employer-clients.

The third party administrator (TPA) firm recently released its [annual cost data trends report](#) and shared that its average plan increase was 3.79% for last year. This is compared to the national average of 7.2%, which is nearly two times higher.

“In a year when cost hikes were so prevalent with health care services, Cypress was still able to help clients contain plan rate increases,” said Tom Doney, president and CEO of Cypress. “A few things that are integral to this success are the flexible plan designs, health claim scrutiny and next-generation benefit solutions we advocate.”

A review of the numbers shows that the largest average health plan cost increase prior to 2016 occurred in 2011, when rates went up 7.95% on a national level. Cypress's plan cost increase for its self-funded employers averaged 2.18% that year.

“We've been very consistent in both our efforts to control costs and the savings outcomes achieved,” Doney said. “Employee benefits are a major expense, but we continue to find ways to think outside the box and save employers significant amounts of money.”

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When analyzing health plan cost increase trends over the last six years, the national average is 6.54% while Cypress's is just 1.68%. For 2016, the average Per Employee Per Year (PEPY) cost was \$16,391 for plans throughout the U.S. and \$9,741 for [Cypress clients](#).

“This PEPY savings difference of \$6,650 translates to \$332,500 for a company with 50 employees,” Doney said. “That’s a substantial amount to be able to funnel back into a business.

About Cypress Benefit Administrators

A privately held company headquartered in Appleton, Wis., Cypress Benefit Administrators has been pioneering the way toward cost containment in self-funded health benefits since 2000. The third party administrator (TPA) is the country's first to bring claims administration, consumer driven health plans and proven cost control measures together into one package for companies ranging from 50 employees to thousands of employees. It serves employer-clients across the U.S. with additional locations in Portland, Ore., Omaha, Neb. and Denver, Col. For more information on Cypress and its customized employee benefits, visit www.cypressbenefit.com.

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