CASE STUDY

Transformational Savings with an Integrated Platform Strategy

The Power of a Self-Funded Healthcare Model

Executive Summary

By strategically transitioning from a fully insured healthcare model to a self-funded health benefits strategy, a three-school consortium in Missouri fundamentally restructured how its healthcare services were financed, managed, and delivered.

With an end-to-end healthcare ecosystem optimization platform, the consortium achieved significant savings and incredible return on investment (ROI) in the very first year of implementation — with three-year projections expected to deliver cumulative savings of more than $14.3 million.

By partnering with Vālenz Health®, the consortium transformed its healthcare model to reduce actual health spending while maintaining superior clinical quality and member experience, creating unprecedented budget flexibility for educational priorities while simultaneously improving employee access to high-quality care.

Results:

$4.2M

in first-year savings

93.7%

first-year ROI

$14.3M

in projected three-year savings

Healthcare Cost Reduction through Self-Funding (Year 1)

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Challenge

A collaborative of three schools, representing a total of 741 members and 353 employees, had limited transparency into claims data, leaving school administrators with few options to change the trajectory of rising healthcare costs, which continued to increase at an industry-average rate of 12% or more annually under fully insured arrangements.

For mid-sized employers like the consortium, the structural inefficiencies of fully funded plans — embedded insurer profit margins, administrative overhead, state premium taxes, and Affordable Care Act fees — represent hundreds of thousands of dollars in annual waste. These costs, as well as the year-over-year double-digit premium increases, had quickly become unsustainable for the consortium and its public school employees.

To reduce this waste (and redirect those funds to much-needed improvements in educational programs, salaries, and enhanced benefit packages), the consortium sought out the alternative plan designs found in self-funded insurance, which delivers an average of 10–15% savings for employers compared to fully funded plans.

Solution

As the industry leader in integrated self-funded healthcare solutions, Valenz worked closely with the consortium to design and implement a fully integrated health plan replacement tailored to the organization's unique benefits needs.

To achieve truly transformational outcomes, the Valenz strategy integrated five critical success factors:

1. **An integrated platform architecture** to replace fragmented point solutions
2. **Multi-layered cost containment** to address all major spending drivers simultaneously with a contracted network
3. **Proactive clinical management** with URAC-accredited care coordination
4. **Transparent data analytics** to enable continuous optimization
5. **Shared accountability models** to align incentives across all stakeholders

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Results

By simplifying the complexities of self-insurance and offering unparalleled data transparency, the Valenz integrated approach to self-funding enabled the consortium to completely transform its healthcare strategy — delivering significant year-over-year savings while securing high-value care for all members.

1. First-Year Performance

In the first year of program implementation, the consortium achieved **$4.2 million in savings** against a $4.5 million baseline, representing an extraordinary **93.7% ROI** — results at **six to seven times** the expected self-funded industry performance.

With the Valenz integrated platform, the consortium also streamlined program efficiency for **$405,000 savings** on administrative costs, as well as **$112,500 in annual savings** from state premium tax exemptions.

2. Three-Year Projected Performance

The consortium's investment in the Valenz model of integrated healthcare supports sustainable value creation over the years to come rather than one-time savings.

Under a fully insured model, costs were projected to increase by 12% each year; the Valenz self-funded strategy delivers **a modest 4% trend,** creating compounding savings that reach **$14.3 million** cumulatively over three years.

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Conclusion: A Complete Healthcare Strategy Paradigm Shift for Long-Term, Sustainable Cost Savings

In combining strategic self-funding with integrated ecosystem platform capabilities, the Missouri consortium transcended incremental cost savings to achieve long-term, sustainable cost containment — made possible by a fundamental transformation in its healthcare financing strategy.

The results validate several critical insights that can apply across all industries and employer sizes:

1. **Integrated platform architecture delivers exponentially better outcomes than point solution assembly** by eliminating coordination complexity, aligning incentives holistically, and enabling sophisticated analytics across unified data.
2. **Comprehensive intervention across all major cost drivers creates compounding savings** far exceeding the sum of individual program impacts.
3. **Proactive clinical management with care navigation generates exceptional ROI** when delivered through URAC-accredited programs with proven processes and accountability.

Through disciplined strategy, sophisticated vendor partnerships, and integrated platform technologies, transformational healthcare value creation is achievable for today's mid-sized employers — and the incredible results from the Missouri consortium's investment demonstrate just how significant those savings can be.

Learn how Valenz can help you deliver smarter, better, faster healthcare today.

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