

CASE STUDY

Classic Auto Group Destination: A High Performance Health Plan



ABOUT Classic Auto Group

Classic Auto Group of Texas is the largest Chevrolet dealer in the US. The family owned group has 20 dealerships located throughout Florida, Oklahoma and Texas, with a total of approximately 1,800 full-time employees.

AT A GLANCE:

INDUSTRY



Auto Dealer

COVERED EMPLOYEES



1,500+

HEADQUARTERS



Grapevine, Texas

THE CHALLENGE

Bently Durant, Chief Operating Officer and General Counsel of the Classic Auto Group, remembers 2015 as the year that changed everything for Classic Auto's health plan journey.

"With annual increases of 30%, it was at that point that we realized if we didn't do something, by 2018 we wouldn't be able to offer healthcare to our employees anymore."

Classic Auto Group was a fully insured company with plenty of traditional carriers to choose from.

But by 2015, Classic Auto started seeing fewer and fewer health plan options in the marketplace. "We got down to only a handful and some of them wouldn't bid us each year," said Durant. "Our only way forward was to make the deductibles more and more unaffordable just to be able to offer healthcare benefits."

"We were about stretched to the limit of what we thought an employee could ever afford," said Durant.

THE SOLUTION

A switch in RBP partners drove success

Knowing they wouldn't be able to survive with upwards of 30% increases from the remaining big box carriers, Classic Auto Group dove into researching options for how to structure a health plan.

Despite a healthy skepticism of RBP, one of its founding philosophies struck close-to-home for Durant: the best time to negotiate is before you buy.



Classic Auto Group made the decision to become self-insured with an RBP solution, and expectations and enthusiasm were high when they chose their first RBP vendor.

According to Durant, provider negotiations are an attractive element of some RBP solutions, but at the end of the day “the job didn’t get done” with the previous RBP provider. “The calls weren’t made, and the negotiations never happened, and the claims went unpaid and everyone was unhappy.”

That’s when Classic Auto knew they had to try out the solution they learned everyone else in the marketplace was using: ELAP Services.

“You expect with any large transaction that at some point there’s going to be a negotiation. With our first RBP vendor, those negotiations just weren’t happening,” said Durant.

“We had the complaints, we had a year of experience, and when ELAP came in to present, I was convinced it was the most developed product out there,” said Durant.

THE RESULTS

Going with a leading RBP solution delivered savings and satisfaction

Since moving to ELAP in 2020, Classic Auto has saved 31% in healthcare costs versus a fully insured plan. They’ve also kept their healthcare expenses flat for three years straight, a point Durant emphasized.

Classic Auto’s employees now have out-of-pockets and deductibles that are “much more reasonable in today’s dollars.”

Durant credits the added feature of easy access to provider partners with cutting deductibles in half. ELAP offers affordable quality care through direct partnerships with more than a dozen health systems across the nation, which employees greatly appreciate according to Durant.

“They walk into a provider partner and everything goes smoothly from that point.”

Classic Auto Group Health Plan Wins

- ✓ **Improved** overall benefits package
- ✓ **Plan designs** that incentivize desired behaviors
- ✓ **No increase** in co-pays or deductibles
- ✓ **Enhanced member services** and protection

“We switched over to ELAP for the 2020 year and the experience has been excellent. The problems have been very few, the speed at which they get resolved is very quick, and they even helped out with some of the lingering issues with the previous RBP provider,” said Durant.



**~\$3.2 MILLION
TOTAL SAVINGS**

using Reference-Based
Pricing

**\$0/Year
EMPLOYEE PREMIUM
INCREASES**

for 3 Consecutive Years

**50% Lower
OUT-OF-POCKET
COSTS**

for Provider Partners

THE EXPERIENCE

Members got better support with the move to ELAP

“We were promised all of the bells and whistles that came along with the ELAP program, including the concierge navigation services on the front and back ends, but with our prior carrier we were getting neither. That was why we moved over, for the lack of services,” explained Durant.

Now, with ELAP’s care navigation, Classic Auto can structure their benefits so their members have someone available to help them make an informed decision that is financially beneficial for both the member and the dealership.

ELAP’s Client Relationship Management (CRM) team provides five-star support that helps the plan succeed, including active involvement with Classic Auto’s HR people. Perhaps Durant summed it up best with this comment:

“It just seemed like y’all knew how to get it done. I don’t know if it was processes or expertise or relationships built over time, but y’all knew how to get it done, and you did.”

THE BOTTOM LINE

After shifting to self-funding, moving to RBP and taking a detour with a different vendor, Durant has sage advice for other employers.

“I figured out that RBP is a viable alternative, and it may be the only viable alternative going forward unless the healthcare system is reformed,” said Durant. “And from my experience, especially having tried a different vendor first, I think ELAP is the most solid solution out there. They’re reliable, dependable and fast.”

“With ELAP, our healthcare is in our own hands now.”

Classic Auto Group’s Savings

3,194 CARS SOLD

vs. a Fully Insured Health Plan*

*Proposed fully insured and assuming 7% trend and based on industry average of \$1,000 profit per car/unity sold.

To learn more about ELAP Services and receive a customized cost-savings analysis,
contact us at info@elapservices.com or call 610-321-1030.

