



ArmadaCare®

Feel The Benefits



USE CASE LIBRARY

ARMADACARE AT WORK

You are doing your best to help your clients solve benefit and business issues and make their employees feel valued. We are here to help you do just that. We've prepared this library of common use cases of our products to show examples of how our supplemental health insurance solutions are applied to solve different challenges employers face.

Please contact us for more information or to schedule time to talk.

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USE CASE

EXECUTIVE PHYSICAL PROGRAM





EXECUTIVE PHYSICAL PROGRAM

Financial services firm



APPROXIMATELY 1,000 EMPLOYEES

Initial Challenge + Discovery

- Leadership and HR team exploring options for providing Executive Physical and wellness programs.
- Two options:
 - Direct facility contract – Annual cost was approximately \$4,000 per employee
 - ArmadaCare fully insured solution – Annual cost was approximately \$5,000 per employee

Solution

- Enrolled 4 key leaders.
- Company chose ArmadaCare because it provided follow-up coverage based on physician recommendations, navigation to specialists if needed, and easy administration of the plan.
- Because of the tax-efficiency* in offering the benefit through a fully-insured plan, net cost was lower.

*This is not local, state or federal tax advice as each person and company is unique. It is recommended that you seek the independent counsel of a professional tax adviser.

Note: Executive Physicals are non-mandated, elective, pre-packaged, exams performed in addition to the annual physical that is covered by your primary health plan.

FACTS & FIGURES

53% of executive physical patients have new and clinically important diagnoses discovered.

MAYO CLINIC, 2021

In 2021, ArmadaCare members were navigated to over **1,000** executive physicals in more than **200** locations.

ARMADACARE DATA, 2021

Members show a **58%** increase in preventive services and **38%** increase in wellness services after an executive physical.

ARMADACARE DATA, 2022



EXECUTIVE PHYSICAL PROGRAM

Energy company



20,000 EMPLOYEES

Initial Challenge + Discovery

- Company already had a contract with an executive physical facility, but executives were located across the country. The need for travel to get to the physical resulted in low utilization of the benefit.*
- Because of non-discrimination rules, executive physical reimbursements were taxable as compensation to employees.

Solution

- Enrolled 170 employees in ArmadaCare.
- Company chose to switch to ArmadaCare for a more complete executive physical package.
- Ability to go to any executive diagnostic facility nationwide was critical in their decision.
- ArmadaCare annual premium and net of taxes was the equivalent of their current cost with one facility.
- In addition to executive physicals, enrollees now have coverage for prescriptions, wellness treatments, office visits, and more.

Note: Executive Physicals are non-mandated, elective, pre-packaged, exams performed in addition to the annual physical that is covered by your primary health plan.

FACTS & FIGURES

*Utilization of the existing plan was only **26%**. ArmadaCare Executive Physical utilization is **54%**.

ARMADACARE DATA, 2022

Employees that have executive physicals have **45%** fewer lost workdays and **20%** fewer primary healthcare claims.

MAYO CLINIC, 2022



USE CASE

IMPROVE RETENTION & TURNOVER





IMPROVE RETENTION & TURNOVER

Software company



75 EMPLOYEES

Initial Challenge + Discovery

- Looking for ways to differentiate from the competition in an industry with high turnover rates and competitive salaries.
- Would like unique and meaningful benefits for hard-to-retain talent.

Solution

- Enrolled 15 engineers in mid-level ArmadaCare plan.
- Chose ArmadaCare for the ability to increase their benefit with years of service, similar to a 401(k) vesting schedule.

For this use case, mid-level plan refers to Ultimate Health Diamond. Premiums, insurance plans, coverage and availability may vary by state. Detailed coverage, exclusions and limitations are listed in the Certificate of Insurance.

FACTS & FIGURES

The turnover rate for the technology industry is **21.3%**, higher than most professional industries.

[FINANCES ONLINE, 2022](#)

Retaining talent is vital for the tech industry. Over **41%** of IT hiring managers say finding tech talent is becoming harder every year.

[FACILITIESNET, 2022](#)

4x improvement in retention if an employee is enrolled in an ArmadaCare plan compared to the national average.

ARMADACARE DATA, 2022



IMPROVE RETENTION & TURNOVER

Hospital system



5,000 EMPLOYEES

Initial Challenge + Discovery

- Hospital had a rich benefit program, but turnover among nursing staff remained high.
- Looking for a unique tool to retain critical clinical staff.

Solution

- Enrolled 10 C-Suite employees, 100 physicians, and 300 nurses.
- For nurses, coverage is upgraded based on tenure, creating an incentive to stay as career progresses.
- ! **Update:** Added mental health navigation ancillary service to ArmadaCare plan during the pandemic to address stress and burnout.

FACTS & FIGURES

12.5% healthcare turnover rate for members enrolled in an ArmadaCare plan vs. the national average of **39.4%**.

BUREAU OF LABOR STATISTICS, 2022

A recent survey showed RN vacancy rates averaged **19%**, more than double pre-pandemic levels. Average time to replace a nurse: **3 months**.

GALLAGHER'S NATIONAL HEALTHCARE STAFF COMPENSATION SURVEY, 2021 & NSI NATIONAL HEALTHCARE RETENTION REPORT, 2021

94% of CEOs ranked nursing shortages their number one concern in 2021.

AMERICAN COLLEGE OF HEALTHCARE EXECUTIVES ANNUAL SURVEY, 2021



IMPROVE RETENTION & TURNOVER

Fast-food franchise



OVER 25,000 TOTAL EMPLOYEES

Initial Challenge + Discovery

- Company estimated that it lost close to 100% of its workers every year.
- They found that by improving retention rate at the General Manager level, it impacted downstream retention.
- Additionally, they found that turnover was reduced significantly if an employee stayed for at least six months.
- Difficulty continuing to compete with industry pay raises.

Solution

- Enrolled 350 General Managers.
- Made general managers eligible for ArmadaCare after six months of employment.
- Company was able to reward employees for tenure with broad medical and wellness coverage in the form of tax-efficient* reimbursements for expenses.

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FACTS & FIGURES

The official Bureau of Labor Statistics turnover rate for the restaurant sector is approximately **87%**, but industry estimates have it closer to **150%**.

[CNBC, 2019](#)

The turnover cost per employee is estimated by the National Restaurant Association at **\$2,000** per employee.

[CNBC, 2019](#)

Fast food workers pay increase is up **12.5%** since 2020.

[BUSINESS INSIDER, 2021](#)



USE CASE

BETTER OPTIONS FOR SMALLER COMPANIES





BETTER OPTIONS FOR SMALLER COMPANIES

Venture capital start-up



3 CURRENT EMPLOYEES

Initial Challenge + Discovery

- Employees were accustomed to rich benefits from their previous private equity employer.
- Very few options available for micro groups.
- They also wanted coverage for infertility.

Solution

- Enrolled all 3 founders.
- Opted for a Silver level primary plan instead of Platinum, as this would be more sustainable for long-term growth.
- Provided company with a unique recruiting tool for leadership while keeping primary plan costs reasonable as they built out their leadership and company staff.

FACTS & FIGURES

Health insurance costs for small businesses have risen by over **40%** in the last decade, proving unaffordable for many owners and resulting in slashing coverages.

NEIB, 2020

Small business employees are **54%** more likely to feel valued if their employer offers a benefits package that meets their needs.

METLIFE, 2021



BETTER OPTIONS FOR SMALLER COMPANIES

Manufacturing company



APPROXIMATELY 35 EMPLOYEES

Initial Challenge + Discovery

- Primary medical plan renewal premium increase was over 25% and group had to downgrade coverage.
- Owners were worried that employees would struggle with additional out-of-pocket costs.
- Company had two options: 1) HSA seed funding; 2) ArmadaCare fully-insured solution.

Solution

- Enrolled employees in two tiers: 5 owners on highest plan and remaining employees on low plan.
- Company chose ArmadaCare over seed funding for two reasons:
 - 1) HSA funding carries over with employees when they leave, whereas ArmadaCare is a unique offering only available while employed with the current company.
 - 2) The company provided more value with ArmadaCare coverage than an HSA contribution.

For this use case, highest plan refers to Ultimate Health Diamond Plus and low plan refers to Complamed. Premiums, insurance plans, coverage and availability may vary by state. Detailed coverage, exclusions and limitations are listed in the Certificate of Insurance.

FACTS & FIGURES

55% of people in the U.S. enrolled in HSAs don't contribute to them.

JAMA.NETWORK, 2020

People with a high deductible health plan coupled with an HSA tend to be reluctant to seek healthcare when they need it because they don't want to deplete their HSA funds.



USE CASE

ENHANCE MENTAL HEALTH OFFERING





ENHANCE MENTAL HEALTH OFFERING

Law firm



APPROXIMATELY 400 EMPLOYEES

Initial Challenge + Discovery

- Managing partner requested HR to explore enhanced mental health and wellness benefits for all employees.
- Several senior partners also expressed interest in executive physicals.

Solution

- Enrolled employees in two tiers: 100 on highest plan; 300 on mental health focused plan.
- Offered highest ArmadaCare plan to partners to provide executive physical and follow-up coverage, mental health coverage, and additional 213(d) expenses.
- Offered mental health and wellness focused plan to all attorneys. Provided coverage for mental health as well as office visits, prescriptions, and other wellness items.

For this use case, highest plan refers to Ultimate Health Diamond Plus. Mental health and wellness focused plan is WellPak. Premiums, insurance plans, coverage and availability may vary by state. Detailed coverage, exclusions and limitations are listed in the Certificate of Insurance.

FACTS & FIGURES

28% of lawyers report mild or high levels of depression, **21%** report levels of problematic drinking, and **20%** report mild or higher levels of anxiety.

AMERICAN BAR ASSOCIATION, 2018

In 2018, the American Bar Association launched a **well-being pledge** to address mental health, substance abuse, and suicide rates within the industry.

AMERICAN BAR ASSOCIATION, 2018



ENHANCE MENTAL HEALTH OFFERING

Non-profit



APPROXIMATELY 50 EMPLOYEES

Initial Challenge + Discovery

- Although counseling and mental health is integral to the company's philosophy, their mental health benefit on their primary plan was lacking and their EAP saw very low utilization.
- Looking for a product to reward their employees and enhance mental health benefit.

Solution

- Enrolled 30 employees on ArmadaCare's mental health and wellness plan based on tenure.
- Cost was approximately \$1,200 PEPY or 5% of annual comp. Company built the premium into their annual compensation budget.
- ArmadaCare provided a way for the company to offer employees valuable coverage for office visits, prescriptions, and wellness services as an incentive to stay. Mental health navigation and advocacy was an additional bonus.

For this use case, the mental health and wellness plan is WellPak. Premiums, insurance plans, coverage and availability may vary by state. Detailed coverage, exclusions and limitations are listed in the Certificate of Insurance.

FACTS & FIGURES

90% of employers pay for EAPs but as few as **3%** of employees use them.

SHRM, 2019

ArmadaCare's mental health advocacy platform has **4.5x** higher engagement than an EAP, and **58%** of engagements result in action plan with navigation and connection.

ARMADACARE DATA, 2022

Mental health makes up almost **10%** of all ArmadaCare claims submitted.

ARMADACARE DATA, 2022



USE CASE

OPTIMIZE TAX STRATEGY





OPTIMIZE TAX STRATEGY

Auto dealership



APPROXIMATELY 150 EMPLOYEES; FAMILY RUN; 3 OWNERS

Initial Challenge + Discovery

- 3 owners were partners; could not participate in FSA.
- Did not want to participate in HDHP and even so, their annual spend exceeded the annual HSA limit.
- Did not meet 7.5% AGI threshold to deduct medical spend.
- Owners expressed interest in executive physicals.

Solution

- Enrolled all 3 owners in ArmadaCare.
- Owners shifted their out-of-pocket medical spend from after-tax dollars to a deductible business expense.*
- Executive physical coverage and navigation are included in their plan.

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FACTS & FIGURES

The average household income for these three owners was **\$275,000**. Medical expenses can only be deducted if they exceed **7.5%** of their AGI (approximately \$20,000).

They estimated their average annual healthcare expenditures to be between **\$7,000–\$8,000**.



OPTIMIZE TAX STRATEGY

Private equity firm



45 EMPLOYEES

Initial Challenge + Discovery

- Company was paying approximately \$10,000 in medical expenses for partners through a self-funded HRA. Payments were not reported as taxable income to the partners, a non-discrimination issue.
- In order for this benefit to be compliant, it would have to be reported as taxable income to the partners, which meant they would lose approximately 40% to income taxes.
- Additionally, the plan was causing administrative burdens to their executive assistants who were having to collect and track expenses.

Solution

- Enrolled all 4 partners.
- Premium was slightly higher than their annual utilization, but there were no longer any compliance or taxation concerns.
- Administration of the ArmadaCare plan made it easier for executives to get their money quicker.

FACTS & FIGURES

Per IRC Section 105(h), any payments to highly compensated employees through a self-funded plan must be considered **taxable income**.

Because ArmadaCare plans are fully insured supplemental health plans, reimbursements may be **non-taxable** to the individual and premiums may become a **tax-deductible expense** for the company.*

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USE CASE

SOLVE SPECIFIC CLAIM ISSUES





SOLVE SPECIFIC CLAIM ISSUES

Consulting firm



APPROXIMATELY 50 EMPLOYEES

Initial Challenge + Discovery

- Owner has a child with autism. Behavioral therapy not covered by primary medical plan.
- Young, primarily female leadership team and growing rapidly.
- Owner saw an added maternity benefit as a unique recruiting and retention tool for her leadership team.

Solution

- Enrolled 5 people in 2 tiers: 1 owner on highest plan; 4 key employees on mid-level plan.
- Behavioral therapy covered for owner's child, significantly reducing her medical out-of-pocket costs.
- Rich fertility benefits and other valuable medical coverage made the leadership team feel appreciated by the owner.

For this use case, the highest plan refers to Ultimate Health Diamond Plus. The mid-level plan refers to Ultimate Health Platinum. Premiums, insurance plans, coverage and availability may vary by state. Detailed coverage, exclusions and limitations are listed in the Certificate of Insurance.

FACTS & FIGURES

The Owner/CEO estimated that she averaged between **\$10,000–\$15,000** spent per year on her child's therapy.

Examples of eligible Pre/Post-Natal ArmadaCare Expenses: Doula; Pre-natal Massages; Pre-natal Vitamins; Enhanced Genetic Testing; Lactation Consultants; Breast Pump & Accessories; Specialized Baby Monitors



SOLVE SPECIFIC CLAIM ISSUES

Tech company



APPROXIMATELY 300 EMPLOYEES

Initial Challenge + Discovery

- One person on the executive team asked broker for infertility benefits.
- Limited affordable options to cover infertility for the entire group.
- HR recognized ArmadaCare could be a unique recruiting tool since they were competing for talent in an industry with a talent shortage.

Solution

- Enrolled 7 employees.
- Company uses ArmadaCare as a sign-on incentive and has added 12 employees over 3 years.

FACTS & FIGURES

Examples of eligible ArmadaCare expenses related to infertility:
IUI; In-vitro; Injectable hormones; Acupuncture; Mental health

Unemployment rates in the tech industry are incredibly low—**1.7%** compared to **4%** in the general economy. For those with expertise in cybersecurity, it is closer to **0.2%**.

NEW YORK TIMES, 2022

Salaries in select cities for highly skilled tech workers have risen by as much as **10%**.

NEW YORK TIMES, 2022

About ArmadaCare

A leading insurance program manager, ArmadaCare delivers uncommon health insurance solutions designed to enhance ordinary health benefits. With the steadfast belief that health insurance should be better, ArmadaCare's plans fill voids in coverage for routine and unexpected healthcare expenses, offer valuable health and productivity support services and invite usage with modern conveniences, education touchpoints and people-first service. The result gives our clients the edge they need to retain, recruit and reward talent at any level.



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Premiums, insurance plans, coverage and availability may vary by state. Detailed coverage, exclusions and limitations are listed in the Certificate of Insurance.

ArmadaCare's supplemental health insurance policies are underwritten by Sirius America Insurance Company ("Sirius America"). Sirius America has an A.M. Best Financial Strength Rating of "A-" (Excellent) as of March 4, 2020.

**Sirius**
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