Introduction

Liberty Mutual Insurance offers personal and commercial insurance to policyholders around the world. With more than 50,000 employees located in more than 60 countries, managing the corporate benefits program is a tremendous task.

Matthew Vlieger, Manager of Finance and Analytics in the company’s Corporate Benefits Division, is responsible for analyzing member engagement within the various health plan offerings. He also provides insights to the strategy directors to help them identify areas for improvement.

Overview

The need
Liberty Mutual Insurance wanted to modernize its employee benefit offerings to allow for more choice, greater transparency and cost-saving opportunities.

The solution
The company reduced its number of carriers, began offering a CDHP in addition to a PPO and introduced the myBenefitsMentor solution to help employees find their best-fit plans.

The benefit
Nearly two-thirds of eligible employees completed all steps in myBenefitsMentor, with 94 percent learning the new CDHP was their best-fit plan. In the first year, 38 percent elected the new plan, exceeding expectations. By the second year, 58 percent of all eligible employees were members of the CDHP.
In 2015, as the company began to recognize the value of and trend toward consumer-directed health plans (CDHPs), it was clear that significant changes were in order.

**Empowering employees**

Vlieger knew that Liberty Mutual needed to modernize its benefits and provide employees with a choice. So, the company began offering two health plans — a preferred provider organization (PPO) and a CDHP.

“Through a consumer-directed health plan,” Vlieger explained, “employees will have to make decisions to not only spend their money in the most appropriate and beneficial way, but also learn where they can find significant savings. Then they can use that money in other ways.”

The company reduced its number of contracted carriers from two to one and replaced its pharmacy benefit manager. This helped cut costs for both employees and the business, and gave employees more choice when it came to filling prescriptions.

**A better understanding**

To help employees decide which of the two health plans was the best fit for their needs, Liberty Mutual implemented the IBM® myBenefitsMentor™ solution from IBM Watson Health™. This web-based tool is designed to guide consumers through their benefit plan options, maximize their tax advantages and avoid over- or under-insuring. With the ability to view their claims information from the previous six to nine months, employees could make more informed decisions about which plan was best for them.

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**By the numbers**

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<th>Year 1</th>
<th>Year 2</th>
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<tr>
<td><strong>67%</strong> of eligible employees accessed myBenefitsMentor</td>
<td><strong>20%</strong> increase in CDHP election</td>
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<tr>
<td><strong>64%</strong> of those completed all steps</td>
<td><strong>&lt;5%</strong> of Year 1 CDHP members switched back to PPO</td>
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<tr>
<td><strong>94%</strong> of those learned the CDHP was their best-fit plan</td>
<td><strong>58%</strong> of all eligible employees now members of the CDHP</td>
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Predicted election rate for the CDHP option was **30%**

Actual election rate was **38%**
Seeing the light

According to Vlieger, myBenefitsMentor allowed Liberty Mutual employees to see, maybe for the first time, what the true cost of their healthcare has been. They’re also able to identify opportunities to save money, helping them make informed decisions about how to manage their healthcare.

While the company originally considered myBenefitsMentor a temporary solution as Liberty Mutual transitioned its offerings, Vlieger said the team was so impressed with the results, and the ability of the solution to integrate flexible savings accounts, that the tool is now seen as a pillar of the annual enrollment process and will be used for years to come.

“It was a valuable, robust, feature-rich tool that allowed our employees to make the right decisions for themselves and their families.”

— Matthew Vlieger, Manager of Finance and Analytics for Corporate Benefits, Liberty Mutual Insurance
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For more information on IBM Watson Health, visit ibm.com/watsonhealth.

Solution components

Consumer solutions

– myBenefitsMentor

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