

## CASE STUDY

# How HUB Helped a Large Medical Practice Slash Costs and Improve Employee Health

## Executive Summary

New York Cancer & Blood Specialists faced double-digit annual cost increases in its health plan and middling quality of care. Other practices in the national network to which they belonged faced similar situations, sometimes worse. HUB's team helped them set up a self-insurance captive, leading to multi-million dollar savings in the first six months alone.

### New York Cancer & Blood Specialists

INDUSTRY: **Healthcare**

SERVICES: **Community oncology treatment**

LOCATION: **New York, NY**

## CHALLENGE

New York Cancer & Blood Specialists and the 10 physician-owned practices in other states that belong to the One Oncology network could not control costs or quality of care, despite being in the healthcare industry. The New York group alone was spending \$26 million annually on health benefits but struggled to cut costs. For instance, one health insurer wouldn't lower the price for third-party administrators, as that might result in lower commissions. And internal resistance kept One Oncology from changing its healthcare insurer.

## SOLUTION

HUB showed how the New York firm and its partner practices could self-insure through a large national captive insurance provider. The captive model provided local control, letting the company customize coverage and claims management while employees and the company would save money through economies of scale. What's more, providing medications through Canadian pharmacies would result in even greater savings.

## RESULTS

In the first six months of the captive, New York Cancer & Blood Specialists saved \$2.5 million on medical benefits and is on track to save \$1 million more on the cost of medications. They've slashed health expenses roughly 40% and as much as 80% on some drugs. And local control allows New York Cancer's in-house administrators to select hospitals and doctors who provide better quality at a lower cost.

"I could not be happier with the HUB team. They've exceeded my expectations times 10. It's not just the cost savings — we are a much happier and healthier company now. And the system is so easy that a single utilization rate manager handles the whole program for close to 1,500 employees."

**Dr. Jeffrey Vacirca,**  
*CEO, New York Cancer & Blood Specialists*

HUB Employee  
Benefits Consulting



Captive  
Insurance Plan



Local  
Control



**Millions of dollars in savings  
with improved quality and  
employee satisfaction**