

INTRODUCING BENEFITS FORECASTER™

EMPLOYEE BENEFITS: UNCOVERING THE ELUSIVE RETURN ON INVESTMENTS



AN INNOVATIVE AND DATA-DRIVEN APPROACH TO MEASURING EMPLOYEE BENEFITS ROI

Tapping into the power of your data is critical in successfully managing a sustainable and meaningful benefit program. A recent Mercer Marsh Benefits survey shows that less than 10% of HR professionals use a data-driven approach to determine if their benefits program is truly meeting their employees' needs and their bottom line.¹

What if there was a simple way to better understand where the gaps or risks are in your employee benefits program, allowing you to pinpoint issues and identify opportunities? What if there was a diagnostic tool that showed you where you are now, where you'll be in five years' time, and — most important — what your potential savings could be?

BENEFITS FORECASTER

Benefits Forecaster by Mercer Marsh Benefits offers a smarter approach to managing

employee benefits, enabling HR to leverage readily available data to drive ROI.

Benefits Forecaster profiles your employee health risks and benefit costs, and predicts future costs — offering innovative interventions that are measurable. By coming to the table with data-driven recommendations, HR can influence key decision-makers and be a strategic partner in finding benefits solutions that make sense for their employees and their business.

WHY IS ROI IMPORTANT?

The costs of medical benefits are rapidly escalating — in some cases, as much as 10% to 20% year on year — and human resources (HR) is being held accountable for increased spend. Negotiating premiums, selecting alternative insurance carriers, and making plan design cuts provide only limited and short-lived savings — not sustainable solutions.

Less than 10% of HR professionals use a data-driven approach to determine if their benefits program is truly serving their employees — and their bottom line.

¹ Mercer Marsh Benefits Total Health and Choice in Benefits 2013–2014 Survey

HOW ARE YOU MEASURING ROI?

ROI (return on investment) presents challenges for HR professionals, who typically measure the profitability of their benefits investment using a **value-based approach**, relying on feedback and drawing on employee engagement scores.

But this often doesn't resonate with key decision-makers in finance or procurement who are looking for a **monetary return-based approach** — that is, hard data and defined metrics.

Do you know ...

- Where **your risks** are?
- What **your costs** are? For example, your average outpatient clinic spend and how it compares to the market?
- What **your employees' health risks** are, and what it's costing you year over year?

By coming to the table with data-driven recommendations, HR can influence key decision-makers and be a strategic partner in finding benefits solutions that make sense for their employees and their business.

REAL SOLUTIONS FOR REAL SAVINGS

The Benefits Forecaster provides three measurable solutions that identify substantial savings opportunities:

CLINIC REVIEW



8:1 ROI*

8% reduction in costs each year
\$554K* total premium savings

CLAIMS AUDIT



3.5:1 ROI* over 3 years

7.5% reduction in costs over 3 years
\$154K* total premium savings

TARGETED WELLNESS INTERVENTIONS



4:1 ROI* over 5 years

4% reduction in costs each year
\$295K* total premium savings

*These figures are estimations based on a set of assumptions (headcount of 1,000 members and total premium of \$1 million) and show an impact over a five-year period. ROI will vary for each company.

In addition to offering solutions that provide significant savings, Benefits Forecaster allows you to glean important insights about your workforce and your organization. With Benefits Forecaster, you can:

- Tie your workforce data to your medical costs.
- Review the correlation between claims and productivity.
- Understand which business functions are driving your costs.
- Know your industry benchmark and see how you compare to the rest of the market.
- Implement targeted measures to address problem areas.

EXAMPLE OF THE BENEFITS FORECASTER DASHBOARD: MEDICAL CLAIMS DATA OPPORTUNITY

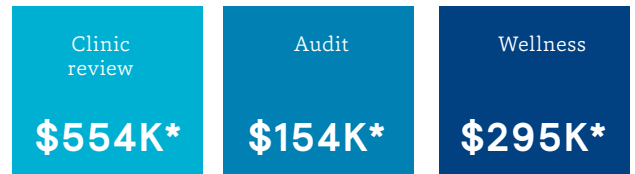
Benefits Forecaster enables us to tell you:

- How your **average outpatient costs** compare to the market.
- Whether you are paying for **claims that are incorrectly adjudicated**.
- If the number of **outpatient visits** are higher than what is considered reasonable.
- What your **key health risks** are and the tangible and measurable interventions that can be implemented to address those risks.

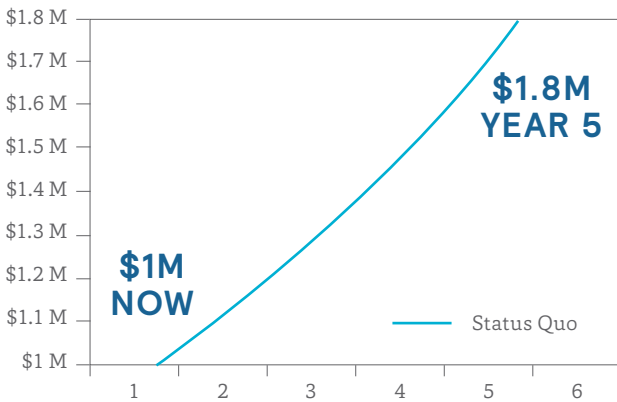
CURRENT STATE



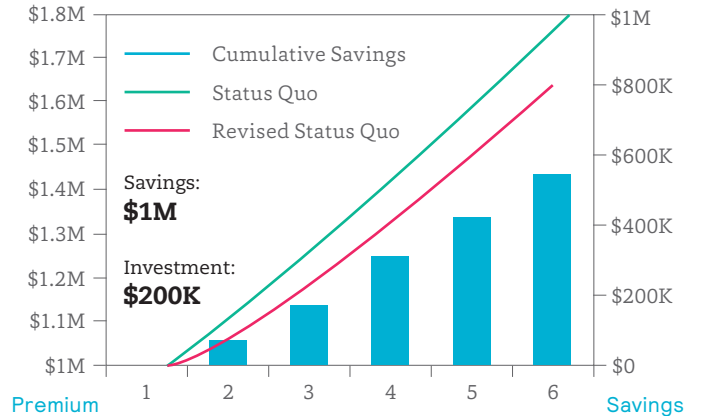
SAVINGS OPPORTUNITY



PROJECTED STATE



REVISED PROJECTED STATE



* Impact over 5 years (combination of savings and cost avoidance). Assumes an average headcount of 1,000 employees.

GETTING STARTED IS EASY

To identify your current and projected state, and discover potential savings opportunities, all it takes is a few simple steps:



(Note: Benefits Forecaster is suitable for employers with 500+ employees.)

MAKING THE FUTURE OF BENEFITS PREDICTABLE

Now is the time to harness the power of data to take control of your future. Benefits Forecaster allows you to predict your benefit costs with greater accuracy, uncover big savings opportunities, and assess the sustainability of your benefits program as a whole — while providing the data-driven metrics you need to track your success.

LEARN MORE

For more information about Benefits Forecaster, please contact:

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About Mercer Marsh Benefits

Mercer Marsh Benefits provides clients with a single source for managing the costs, people risks, and complexities of employee benefits. The network is a combination of Mercer and Marsh local offices around the world, plus country correspondents who have been selected based on specific criteria. Our benefits experts, located in 135 countries and servicing clients in more than 150 countries, are deeply knowledgeable about their local markets. Through our locally established businesses, we have a unique common platform which allows us to serve clients with global consistency and locally unique solutions.

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