



How iQ Credit Union Expanded Employee Benefits While Lowering Costs by Joining the CU Benefits Alliance

At a time when most employers are cutting back on benefits and shifting more costs to employees, iQ Credit Union joined an exclusive group of credit unions to provide industry-leading employee benefits while significantly lowering expenses.

iQ Credit Union didn't know what it didn't know. Used to the short-term outlook of once-a-year broker visits that came with yet another health insurance rate increase, the Vancouver, Washington-based credit union figured the growing expense of offering employer-sponsored benefits just came with the territory. After all, health insurance remains a top-three expense for most employers.

However, iQ did know that raising employee premiums each year — with no better benefits to show for it — didn't blend with the overall mission of the credit union movement's people-first philosophy. A meeting with CU Benefits Alliance (The Alliance) offered a refreshing perspective: It is possible to transition out of increasingly expensive coverage — and to do so while actually lowering employee costs and expanding benefits.

Here's how iQ did it.

CHALLENGE

An endless cycle of annual health plan cost increases on an employee benefits package that is out of alignment with the organization's values.

OUTCOME

A larger health coverage network with expanded, cutting-edge benefits — like 100% dependent premium coverage — that comes at consistently lower prices for both employees and the credit union.

IMPACT

Increased employee satisfaction with an improved, lower-cost employee benefits package that has also become a differentiator for the organization's employee recruitment efforts.

Challenges

The seemingly endless cycle of annual health insurance cost increases had iQ feeling like it was spinning on a hamster wheel it couldn't get off.

Making matters worse, iQ also had little-to-no access to its health plan data. Without usage trends, the credit union could not make informed decisions to optimize the type and scope of health plan offerings for its employees. Moreover, the lack of data meant developing a long-term strategic plan felt nearly impossible.

To take care of employees and families and to connect with the larger credit union values of people helping people, iQ needed its benefits offerings to be a market differentiator. The credit union was ready for a change but felt stuck thanks to a shortsighted, year-by-year approach that many employers are trapped in.

A Credit-Union-Exclusive Process

Fortunately, joining The Alliance presented a solution. As a collective consisting solely of credit unions, the members of the Alliance leverage the power of the group combined with the lower risk profile of credit union employees to significantly drive down costs — and limit the burden on already busy individual HR departments. In addition, by coming together, Alliance members expand benefits and enable each member credit union to build an individualized 3-5 year strategic plan to keep the positive momentum going.

“CU Benefits Alliance helped us develop a strategy to move away from our traditional and increasingly expensive health insurance plan, and they helped us to make this significant change while ensuring a positive employee perception overall,” said Shelan Stritzke, VP of Human Resources, on joining The Alliance.

Successfully completing the transition required a robust communication strategy on what to expect from the change and the steps employees needed to take when making the switch. With decades of credit-union-specific experience executing these steps, The Alliance led the way, walking iQ employees through steps like discovering the broad range



Shelan Stritzke

VP of Human Resources
iQ Credit Union

“We’re fortunate to work with The Alliance. The value they bring and their expertise in strategic benefit plan design cannot be overstated. Our partnership with The Alliance gives me greater confidence in building a robust benefits package to support our employees while also successfully navigating the complexities and increasing cost of the healthcare system.”

of state-of-the-art healthcare specialists who were now in network.

iQ appreciated the fact that joining The Alliance didn't require immediate cross-the-board changes. Instead, iQ could keep its existing structures in place while the credit union used its newfound health data transparency to gain insights into its specific plan activity. That way, it could continually refine its health plan over time to align with its long-term goals.

"The Alliance made things as seamless as possible," said Stritzke. "Knowing that health benefits are tremendously important for our employees and what we as an organization stand for, it was critical switching to The Alliance went well."

As a member of The Alliance, iQ feels well supported through each step. "They do a lot of the heavy lifting regarding communications design and benefits education. They assemble templates, develop the framework, and discuss communication timing with our staff. They also provide an exceptional support with our healthcare vendors. All of those efforts work to ensure our success," said Stritzke.

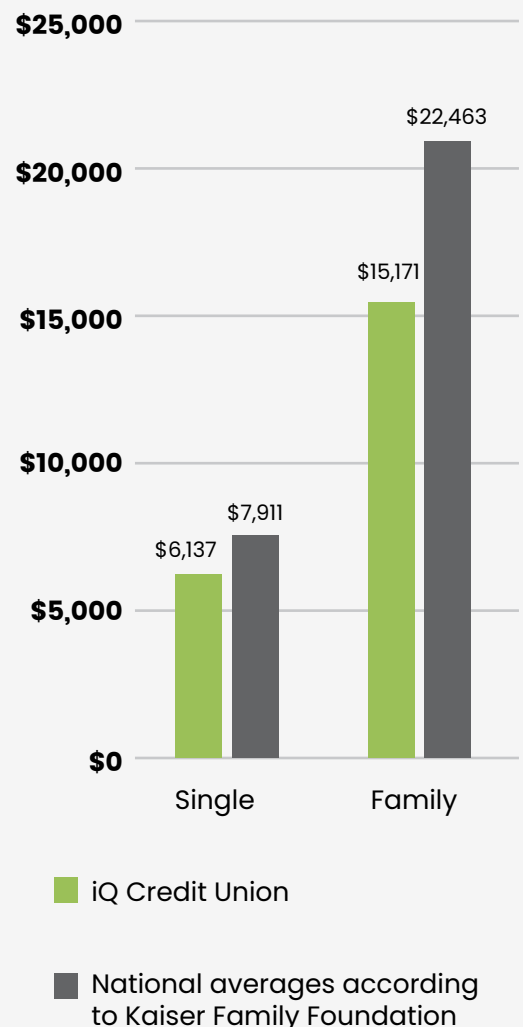
iQ remains the benefits connection point for its employees, particularly during open enrollment. Still, Stritzke is comfortable connecting an employee with The Alliance whenever a question arises. "Within a matter of hours – if not minutes – we have a viable response or an action plan," she said. "Their service model supports us in providing an improved employee experience while also helping the HR team to realize efficiencies in benefits administration. We work with a number of vendors. However, the Alliance is the only one that we allow to interface directly with our employees because of the red-carpet treatment they receive."

The Alliance Solution

Employee benefits play a significant role in iQ's value proposition to its employees and throughout the recruitment process. While many employers are cutting back on benefits offerings and/or increasing the cost burden on employees, joining The Alliance has allowed iQ to do the opposite.

"Right now, you see a lot of employers cutting back on benefits and shifting more of the cost to their employees. We

2022 Average Annual Medical/ RX Plan Costs



haven't done any of that," said Stritzke. "If anything, each open enrollment cycle, we seek to expand our benefit offerings and, quite often, lower costs. I think that's pretty unique."

Not only has iQ reduced monthly employee premium costs, but the credit union's also been able to use its savings to offer additional coverages, such as 100% of dependent child coverage. The plan gained nearly 23% new enrollment as a result. "That tells a really compelling story. And it ties into iQ's values, and the credit union philosophy as a whole, of people helping people," said Stritzke.

"We want our employees and their families to feel cared for while they're at work and beyond work, and our benefits offerings are one way we can do that," she added. "To make sure that some of the stresses that can be present when you're having a medical event, at least from the financial side, are minimized because our benefit design is so robust."

Even as iQ adds more employees, the credit union has been able to continually reduce the employee share of benefit costs each year since joining The Alliance. That puts iQ's leadership in the favorable position of being able to strategically expand and improve benefits offerings each year. Some of those initiatives include:

- 100% dependent premium coverage
- A unique dental plan rollover benefit
- A laser eye surgery benefit
- A hearing aid benefit

"The Alliance has been a really critical partner in allowing us to develop a strategy that aligns with the greater strategic plan of the credit union. And also just continuing to have a vision for where we could go, how we can continue to make things better," said Stritzke. "They have a great ability to understand what the credit union needs. It's not a one-size-fits-all model. It's understanding the risk tolerance of the organization they're working with and then creating a pathway that the client can move through confidently. They're a wonderful partner."



Impact

Throughout the credit union’s transition from its traditional health plan to joining The Alliance, cost increases held below the national healthcare inflation trend. Now, iQ is beating the trend and reducing costs while employee contribution costs remain below industry-wide averages.

Medical costs per employee per year have dropped each year since joining The Alliance. They are now \$1,774 below the national average for a single person and \$7,292 below average for a family. “Our claims experience has been phenomenal,” Stritzke added.

Even though the credit union’s employee numbers have grown by nearly 80 people

since iQ first joined The Alliance, its per-employee per-year costs still continue to drop. And employees are taking notice. Regular engagement surveys reflect employees’

satisfaction with their share of benefit costs. Even job candidates in the recruitment process often express appreciation for the cost and scope of the comprehensive benefit offerings.

Vendor management can have its fair share of frustration, but Stritzke reports working with The Alliance is an exception. “I cannot overstate the value that The Alliance adds thanks to their service level. Finding a true partner is rare when you’re talking about vendors you work with. The Alliance

is one of a few vendors that I genuinely feel is a true partner and that they really care about our employees and the outcomes we’re experiencing at iQ,” she said.

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Trust the Data

As someone who's been on both sides of the struggle, Stritzke believes credit unions continually faced with rising premiums and reluctantly adding to employees' share of the costs have nothing to lose from a conversation about choosing a different healthcare path.

"It gives you more information to consider when deciding on your benefit plans. Or if you're going to maintain what you have in place, you should still be informed about what else is out there," she said. "The Alliance can provide additional insight. And the data they provide is very compelling."

For a more information about how your credit union can join The CU Benefits Alliance, Call **877-674-7555** or Schedule a No-Obligation Consultation: <https://cubenefitsalliance.com/contact-us/>



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