

WHY INDUSTRIAL FIRM SAVAGE TAPPED MEDZERO TO HELP TEAM MEMBERS PAY FOR HEALTHCARE SERVICES

SAVAGE



Midvale, Utah-based [Savage](#) is a privately held, global provider of industry infrastructure and supply chain services for industries including agriculture, energy, chemicals, and manufacturing. The company has about 4,000 employees across more than 200 locations.

Savage, a global provider of industry infrastructure and supply chain services, has long prided itself on being a great place to work, winning recognition as a Top Company for Women in Transportation, Military Friendly® Employer, and Certified Evergreen® company, among other awards. The company provides competitive benefits, has a culture of safety and teamwork, and supports its local communities.

To supplement its benefits package, Savage offered a pre-funded health savings account (HSA) option to help team members cover out-of-pocket expenses for costly medical services or unexpected emergencies. Savage provided funds to employees in January that were repaid over the year through paycheck deductions. The program was popular, but Savage is always looking to improve the value of the benefits it offers.

[Studies have found](#) people are putting off getting the timely healthcare they need because of rising out-of-pocket costs including deductibles, copays, and coinsurance. The U.S. out-of-pocket spending average of \$1,300 per capita was among the highest in the world in 2021, according to the [Peterson-KFF Health System Tracker](#). Out-of-pocket health care spending now accounts for one-tenth of overall national health expenditures, according to [federal data](#).

Although Savage's pre-funding program was providing financial support for out-of-pocket expenses, participation in the program was limited to less than half of employees (those enrolled in HSA eligible plans), and the company wanted to extend support to all of its team members. Savage was also looking for a solution to reduce administrative costs and find an alternative to pre-funding team member accounts, said Laurel Timmins, the company's vice president of benefits and talent acquisition.

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-Laurel Timmins

“One of our challenges in expanding the benefit was the up-front cash required to support more than 4,000 team members and the money we were losing whenever anyone left the company during the plan year, before repaying the up-front contribution,” Timmins said.

Those unrecoverable attrition costs ran between 12% and 15% of the amount pre-funded, Timmins said.

“With our annual funding in the six-figures, we were looking for alternatives to reduce our risk.”

medZERO was a fit for Savage

Howard Michalski, president and co-founder of medZERO, and Timmins have been peers in the industry for nearly 20 years. Michalski introduced Timmins to medZERO as a solution that gives employees access to on-demand medical funds, with zero interest and zero fees. Funds are accessed conveniently through a mobile or desktop app and can be used to pay for doctor or dentist visits, prescription drugs, and existing medical bills.

“We were really interested in looking at it because it fit our needs,” Timmins said. “We wanted to get out of the business of loaning our team members money for medical reasons.”

medZERO worked with Savage’s benefits and executive teams to understand their priorities and ensure its solution was a good fit for the company. medZERO allowed flexibility in defining eligibility and the funding levels it would provide while offering its own recommendations.

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For employees, the service offers many perks. There is no credit check required to set up an account, and funds are available on-demand, 24/7. Team members can access funds using the medZERO app or website. When they need money to cover a medical expense, they use the app to access the funds and instantly receive a virtual MasterCard to pay the bill.

The funds are repaid through an interest-free payroll deduction over a 12-month period. All fees associated with the medZERO program are covered by the employer.

Team members enrolled in an HSA can also repay their loan using tax-free dollars, saving up to 30% on qualified medical expenses using pre-tax dollars.

The medZERO logo is located in the top right corner of the page. It consists of the word "medZERO" in a white, sans-serif font, with a small trademark symbol (TM) to the right. The logo is set against a light blue circular background that overlaps with a larger, darker blue circle.

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Team members are engaged

One Savage team member reached out to medZERO the day before a scheduled surgery. “They want me to pay for the surgery up-front before I check in,” he said. “I don’t have the money to pay for it.”

The employee explained that his insurance plan didn’t cover the entire procedure, and the call from the hospital looking for payment up-front was unexpected – though not an uncommon practice. He said medZERO was the only option he had to get the care he needed.

The medZERO rep walked him through the app, showed him where he could view his preapproved spending allowance, and encouraged him to call the hospital and use his medZERO virtual MasterCard to make the payment.

In the end, the employee underwent a successful procedure and is back on the job without the worry or stress of how to pay for it.

“It’s been a really good experience for our team members,” Timmins said. “When they call medZERO, they get great support, they get great help. The process works really well. With some of our other vendors, it’s hard for the team members to get what they need. That’s not the case with medZERO.”

A boost for recruiting and retention

Coupled with the benefits package Savage offers, Timmins sees the medZERO offering as a strong recruiting incentive – but even more so as a retention tool, since it encourages team members to stay to maintain access to the many benefits Savage offers.

“We’ve had positive feedback,” she said. “We’ve seen a high adoption rate. Sometimes getting team members to take advantage of the benefits you’re offering can be challenging. medZERO is a benefit that is easy to understand and use, and meets their needs, so people are really excited about it.”

A win for Savage Team members and the bottom line

Timmins said Savage is spending less to offer medZERO to its employees than what it was in providing the pre-funded program, with savings ranging from 40% to 60% compared to before. It’s also offering the benefit to significantly more of its team members, which helps increase the overall value.

The bottom line: a better, enhanced benefit, available to more team members, at around half the cost.