CASE STUDY | **Labor Unions**

Cleveland Bakers & Teamsters

How a Health & Welfare Fund Preserved its Retiree Health Plan

LaborFirst

Cleveland Bakers & Teamsters Health & Welfare Fund

Challenge

An Ohio-based multi-employer Health and Welfare Fund was facing dramatic cost increases for their retiree health plans due to rising healthcare costs and a growing retiree population.

With ballooning costs eating over $30 million in funds, retiree healthcare benefits were becoming unsustainable for both the Fund and its members.

Canceling benefits was not an option. The Fund knew that, by switching coverage from its traditional medical plan to a group Medicare Advantage plan, it could cut costs and retain the same benefits. **However, making the change would be an administrative burden and still require a hefty out-of-pocket expense for retirees.**

Cleveland Bakers & Teamsters Health & Welfare Fund

Solution

With these challenges in mind, RetireeFirst reviewed the Fund's current plan, contacted the carrier directly, and provided an option that would significantly reduce costs, preserve the quality of benefits retirees were promised during their working years, and take the stress out of the process—all before being officially hired.

Cleveland Bakers & Teamsters Health & Welfare Fund

Solution

To bring down costs while maintaining high quality benefits, RetireeFirst's initial step was to review the Health and Welfare Fund's contract and conduct extensive research into alternative plan options and carriers.

After analyzing the Fund's existing plan and identifying areas that could be removed or optimized, RetireeFirst put out a bid to secure a better price and helped the Fund select and implement a new Medicare retirement benefits plan.

RetireeFirst also supported retirees through the process, helping them navigate the plan and services, fielding calls that would otherwise be directed to the Fund's manager.

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Cleveland Bakers & Teamsters Health & Welfare Fund

Solution

The partnership has been so successful that the Fund has been a client for over ten years. In addition to reduced costs for the Fund, its retirees have seen a drastic reduction in fees. **Prior to becoming a client, retirees were contributing as much as $93 per month—a significant expense for those on a fixed income. Now, they are only paying $10 or $20 per month, depending on the plan they chose, without a cut to their benefits.**

The Fund has been able to reallocate the savings to other benefits, as transitioning to a group Medicare Advantage plan with RetireeFirst has also freed up staff time, enabling team members to dedicate resources to more value-driven initiatives.

"The RetireeFirst solution has completely transformed the funding of our plan as it relates to retiree healthcare. They have been a valuable partner for over ten years, from designing to implementing to managing our Medicare retirement benefits. They do all of this while guaranteeing quality retiree benefits that are still affordable."

Carl Pecoraro

Fund Chairman
Cleveland Bakers & Teamsters Health & Welfare Fund

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Cleveland Bakers & Teamsters Health & Welfare Fund

Results

50%
Cost Reduction

Cut cost for retirees by half in the partnership's first year, and reduced costs to $10 or $20 per month without sacrificing the quality of benefits

0% Increase
Negotiated

Negotiated 0% increase for the first year of the partnership

$10.6 Million
in Premiums Paid Back to the Fund

Increased gain share in conjunction with reduction of retiree benefits costs, enabling the Fund to set aside profit for future use; $10,589,206 in premiums have been paid back to the Fund as of 2025

Ensured
No Premium Increases

Ensured cost of retiree health plan premium has stayed under what Fund was originally paying since taking over the plan in 2014

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RetireeFirst: A LaborFirst Solution

RetireeFirst delivers comprehensive Retiree Benefits Management. We keep pace with changing regulations and understand the intricacies of the Medicare market. In close partnership with unions and employers, we strategize on how to drive value to Medicare benefits by improving outcomes and reducing costs. Personalized advocacy and a human-centric approach are at the heart of our company. Our award-winning services offer the one-on-one engagement retirees need.

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Healthcare Navigation and Advocacy *for Life*.