

# RCPA Healthcare Captive

Self-Funded Solution  
for Cost Control, Transparency,  
and Customization

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# Why Move to a Self-Funded Captive?

Traditional fully insured plans often include carrier profits, premium taxes, administrative overhead, and opaque pharmacy pricing. A **self-funded captive** — such as the RCPA Healthcare Captive powered by ParetoHealth — pools risk among like-minded midsize employers (typically 50-1,000 employees) to achieve:

- Significant Cost Savings Potential
- Greater Flexibility & Customization
- Full Transparency & Actionable Data



*ParetoHealth's large community (thousands of employers, billions in managed spend) reduces volatility and provides long-term stability that pure self-funding often lacks.*

# Why Move to a Self-Funded Captive? (continued)

## Significant Cost Savings Potential

- Eliminate carrier profit margins (~5-15% typical reduction)
- Avoid state premium taxes (~2%)
- Reduce administrative fees (25-40% savings)
- Implement a fully transparent, pass-through Pharmacy Benefit Manager (PBM) for 25-50%+ reduction in pharmacy spend (often up to 40% overall with Liviniti)



# Why Move to a Self-Funded Captive? (continued)

## Greater Flexibility & Customization

- Design tailored benefits to your workforce
- Launch targeted wellness, prevention, and cost-reduction programs
- Pursue direct contracting, Centers of Excellence, and condition-specific initiatives (e.g., end-stage renal disease, diabetes, obesity management)



# Why Move to a Self-Funded Captive? (continued)

## Full Transparency & Actionable Data

- Access detailed claims analytics to spot trends early
- Address high-cost areas proactively
- Incentivize preventive care (e.g., women's health screenings, colonoscopies)



# Addressing Common Self-Funding Concerns

Self-funding raises valid concerns. Here's how the RCPA Healthcare Captive mitigates them

- Financial Risk from Large Claims (e.g., \$1M premature baby claim)
  - Solution: Specific stop-loss coverage protects against catastrophic individual claims.
- Unexpected Volume of Smaller Claims
  - Solution: Aggregate stop-loss coverage caps total annual liability.
- Cash Flow Variability
  - No need to front large claims and wait for reimbursement — once the specific deductible is met, the stop-loss carrier pays the TPA directly.
  - Aggregate accommodation options smooth monthly claim fluctuations.



# Addressing Common Self-Funding Concerns

(continued)

- Renewal Uncertainty & Rate Volatility
  - The captive model eliminates traditional carrier renewal surprises by sharing risk across a large, stable group.
- Provider Network & Access
  - Preferred TPAs: Meritain (Aetna), UMR (United), HealthNow (Highmark)
  - Pharmacy Network: Liviniti's robust national network (65,000+ pharmacies)
  - Non-preferred - Blues plans (e.g., Highmark, Independence).



# Pharmacy Benefit Manager (PBM): The Hidden Cost Driver & Our Solution



# Pharmacy Benefit Manager (PBM)

## The Hidden Cost Driver & Our Solution

### The Problem with Traditional “Big Three” PBMs (80% market control)

- Express Scripts (Cigna), CVS Caremark (Aetna), OptumRx (UnitedHealthcare)
- They retain most manufacturer rebates and use spread pricing (adding 10-20% margins)
- Incentives favor higher-cost drugs (e.g., Humira ~\$9,000/month vs. biosimilar ~\$900/month)



# Pharmacy Benefit Manager (PBM)

## The Hidden Cost Driver & Our Solution

### The Liviniti Pass-Through PBM Solution

- True Transparency — Flat per-prescription fee, PEPM for specialty management; no spread pricing or retained rebates.
- 100% Rebate Pass-Through to the plan.
- Lowest-Net-Cost Focus — Prior authorization steers to the most cost-effective option – 98.2% acceptance.
- Powerful Savings Engines:
  - No added margins (10–20% immediate savings)
  - RxCompass Specialty Drug Management
    - International Mail Order (~50% savings)
    - Manufacturer Coupons (~25% savings)
    - Patient Assistance Programs (up to 100% savings)
    - Site-of-Care Infusion Therapy (40–50% reduction)



*This model delivers predictable, meaningful pharmacy savings — often 20-50%+ — while prioritizing member outcomes.*



# Liviniti Savings Example

RCPA Member with  
360 Covered Employees.



Reporting Period: 7/1/2024 to 6/30/2025

## Current Claims Activity & Savings Summarized by Drug Sourcing Pathway:

Drug Sourcing Pathway	Claim Count	Plan Paid	Price without RxCompass	Plan Savings	Estimated Rebate Loss	Estimated Rebate Gain	Savings Net of Rebate
Patient Assistance Program	6	\$0	\$29,046	\$29,046	\$3,992	\$0	\$25,053
INTL Mail	121	\$253,112	\$682,704	\$429,592	\$43,627	\$0	\$385,964
Variable Copay	272	\$335,162	\$421,467	\$86,305	\$0	\$28,737	\$115,042
<b>Total</b>	<b>399</b>	<b>\$588,273</b>	<b>\$1,133,216</b>	<b>\$544,943</b>	<b>\$47,620</b>	<b>\$28,737</b>	<b>\$526,060</b>

*In addition to the savings illustrated, the client received roughly \$220,000 in manufacturer rebates.*





## Next Steps

The RCPA Healthcare Captive offers a proven path to lower costs, greater control, and reduced risk compared to fully insured plans.

### CONTACT

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