

CASE STUDY

How a leading foodservice distributor achieved significant healthcare savings and immediate ROI with Carrum Health





“

With Carrum, we got an easy plug and play platform, the ability to quickly launch a quality program across the United States, plus more oversight, lower costs and the best experience for associates that we can possibly get.”

Sue Letang, Senior Manager, Health & Welfare Plans

“

The trust I found from my surgeon confirmed that he was well researched and the right man for the job. I am so thankful to US Foods and Carrum Health for partnering on behalf of associates, especially my family and myself.”

Chrisholm, knee replacement, US Foods associate

Problem

In 2018, US Foods was evaluating its runaway surgery costs. Over two years, US Foods saw a 5X variance in hip and knee replacement surgery expenses across 70+ locations— without any correlation to quality/outcomes. To decrease costs without sacrificing the quality of care for their 20,000+ associates and increasing necessary resources, they committed to finding a Centers of Excellence (COE) partner with an existing network of high-value surgical care.

Priorities

- Reduce costs, prevent overpaying for surgery
- Help associates avoid unnecessary surgery and get appropriate care
- Improve quality of care and associate experience

Challenges

- Small benefits team responsible for a broad range of competing priorities
- Limited expertise in healthcare quality and direct provider contracting
- Coverage for associates across the country

Solution

US Foods determined that a network of Centers of Excellence (COEs) was the right solution. While they considered several carrier and standalone COE options, they quickly discovered that Carrum Health would help address some of their challenges:

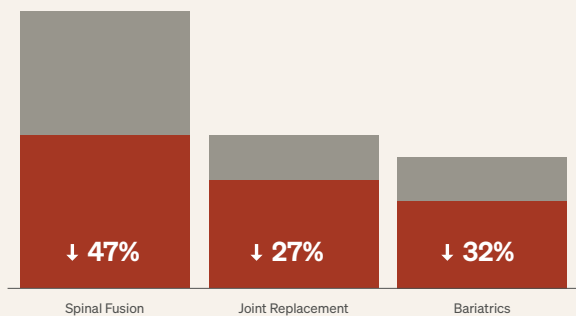
- Covers US Foods' top surgical spend categories: musculoskeletal (hip/knee replacements, spine surgery), bariatric, and cardiovascular.
- Offers members access to top 10% nationally-ranked surgeons, in line with their company culture of providing the best healthcare, close to home.
- Delivers better health outcomes and guarantees care with a standard warranty, minimizing complication and readmission rates and lowering overall costs.
- Predictably and transparently lowers spending for high-cost medical conditions by ensuring all recommended care is necessary and by bundling all services into one cost-effective care episode.
- Engages a diverse workforce, from truck drivers to sales teams, with a high-touch, member-centric experience supported by a best-in-class technology platform paired with care specialists, meeting associates where they are.

Results

In the end, US Foods found that Carrum Health was the right COE partner, delivering more oversight, the highest quality care, significantly lower costs, and a better experience than they could achieve on their own or by working with alternative programs:

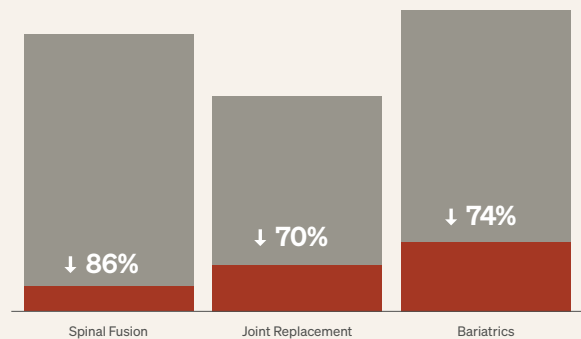
- US Foods found implementation easy: within six weeks, they had a fully functioning COE program, leveraging an off-cycle start to improve benefit visibility. Carrum handled every detail, including plan design, contracting, implementation, full benefit ecosystem integration, and vendor cross-referral training.
- Members love the benefit: US Foods members reward Carrum with a 97 Net Promoter Score (a measure of how likely a patient is to recommend Carrum to others), significantly outperforming carriers. Members cite Carrum's digital app, concierge experience, and US Foods' cost-share waiver as critical factors to their satisfaction.
- Carrum significantly reduced US Foods' surgical spend by avoiding 27% of unnecessary surgeries and reducing unit cost by 27-47% for necessary surgeries. Further, Carrum delivered phenomenally better quality, proven with remarkably lower readmissions and complications versus US Foods' pre-implementation baseline.

Unit cost savings per procedure



Source: Analysis of employer claims data

Average readmission rates



Source: HCUP National Data, Carrum Patient Outcome Analysis

■ Before Carrum ■ With Carrum

27%
Surgery avoidance

97
Net promoter score