



HISTORY – RETIREE BENEFIT SOLUTIONS



retiree benefit solutions

KTP Advisors was founded in 2002 as Retiree Benefit Solutions. The firm's founder, Don Witcher, realized that many plan sponsors were struggling to deal with the financial and regulatory changes brought on by the adoption of Financial Accounting Standard (FAS) 106.

This accounting treatment forced companies to recognize the present value of accrued liabilities for other post-retirement benefits on their balance sheet and amortize this liability through the income statement over time. While initially this treatment was required of private sector entities, governmental entities were forced to adopt this same approach with the introduction of Governmental Accounting Standards Board (GASB) standards 43 and 45. For plan sponsors in both the private and public sectors, this accounting treatment increases liabilities and expenses.

By optimizing Medicare subsidies and negotiating benefit plans to maximize cost-effectiveness, KTP has helped private and public sector clients achieve exceptional results. The firm's clients have reduced liabilities by hundreds of millions of dollars and experienced Medicare plan cost trends nine percentage points (9%) below the national average cost trend for comparable plans.

Through the firm's interaction with senior financial and benefit professionals, we realized that many plan sponsors struggle with the costs and risks associated with providing pharmacy benefits to active employees. Because retirees consume four-to-five times as

many prescription drugs as their active counterparts, the firm had an understanding of the impact pharmacy benefits can have on overall costs.

To help clients address this critical benefit area, the firm added a practice leader of pharmacy benefits with 18 years of experience advising corporations, Taft-Hartley benefit plans and health plans in the area of pharmacy benefits. The firm also added a licensed clinical pharmacist to develop, manage, and oversee clinical programs designed to optimize clinical outcomes as cost-effectively as possible.

Throughout the firm's history, and for many years into the future, KTP Advisors' focus on complex and critical benefits areas will help clients improve their ability to keep the promises they have made to current and former employees.