



City of Montgomery Secures Bottom-Line Savings with Dependent Eligibility Verification

WINTER 2011

A CASE STUDY

Industry:
Government

Business Challenge:
Cut rising health care costs and become more compliant.

Solution:
ContinuousHealth's DA² Solution for dependent eligibility verification.

Results:
ContinuousHealth found **8.88%** dependents ineligible for benefits coverage. By removing these dependents, The City of Montgomery identified a potential **annual** bottom-line savings of **\$1,361,088.00**. The project achieved maximum compliance with 95.1% of employees responding to the verification.

Business Challenge

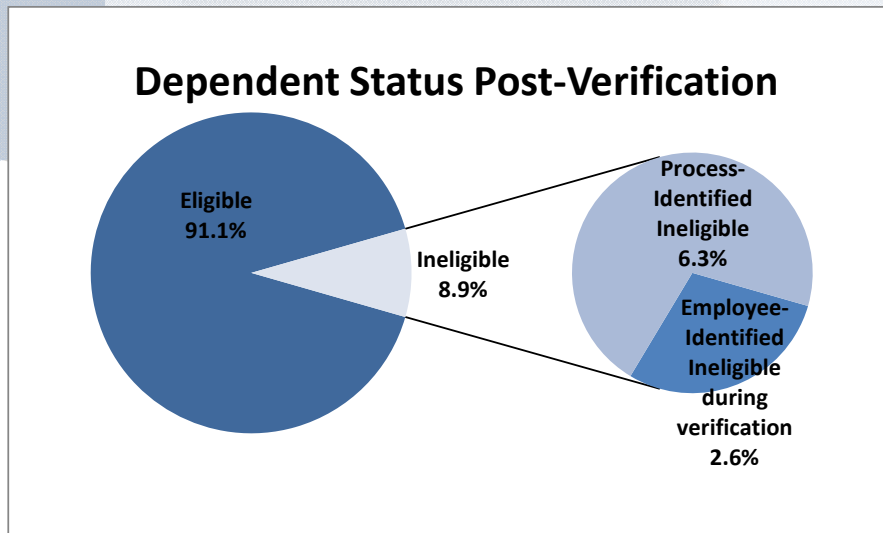
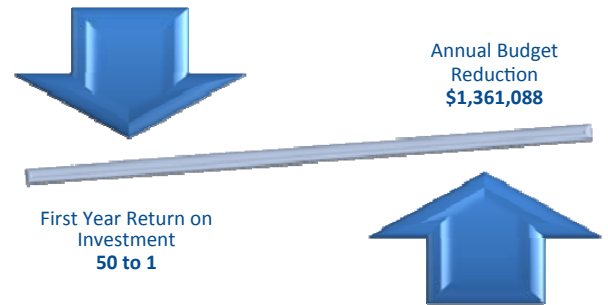
The City of Montgomery, Alabama, was looking for new ways to control their rising healthcare costs. In addition, they wanted to take every step necessary to ensure that they were in compliance with ERISA.

Solution

Having never conducted a dependent eligibility verification, the City of Montgomery suspected that a significant number of the 3,258 dependents who were currently enrolled in their healthcare plan were ineligible. The City of Montgomery also hoped that, by removing these ineligible dependents from their plan, they would significantly reduce their overall healthcare costs, allowing them to continue to provide cost-effective benefits to their eligible employees and their dependents.

Without enough time or internal resources to perform an objective internal audit, the City turned to ContinuousHealth, a company that promised results with its dependent eligibility verification.

To meet the City's objectives while taking their values and culture into consideration, ContinuousHealth executed DA² (Dependent Audit & Dependent Alternative). DA² quickly lowers employer healthcare costs and associated risks by identifying any dependents who are not eligible to receive benefits while simultaneously finding these individuals alternative health coverage.



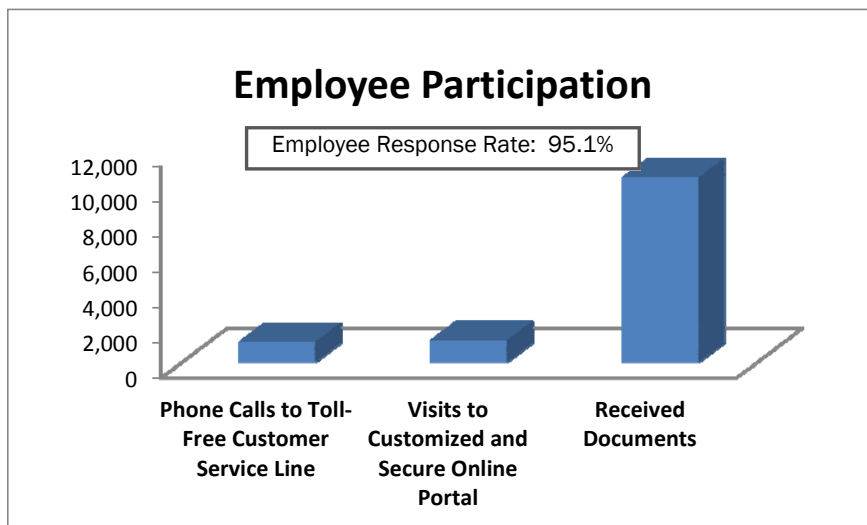


Results

The verification was a success. Through the ContinuousHealth DA² Solution, the City of Montgomery identified a potential annual, bottom-line savings of over \$1.3M.

The project found 8.88%, or 288 dependents, to be ineligible for benefits coverage. During the verification phase of the project, 82.4% of the City of Montgomery's employees supplied all required information to complete the eligibility review. 10,2% of employees completed the process during the appeal phase, achieving a 95.1% employee response rate. The City of Montgomery leadership was excited to see high employee response rate for an outsourced project. After eligibility information was provided, the ContinuousHealth team verified a total of 1,389 employees with 3,258 dependents.

DA² accomplished the City of Montgomery's goal of reducing health care costs while continuing to provide cost-effective benefits to eligible employees and their dependents. In addition, conducting a dependent eligibility verification project helped the City of Montgomery educate its employees about the importance of following benefit guidelines and raised awareness about how ineligible dependents can significantly increase costs for everyone participating in the plan.





ContinuousHealth reduces healthcare costs by simplifying the increasingly complex choices in healthcare insurance.

We integrate proprietary technology to create unique, turn-key applications that deliver immediate return on investment for employers and individuals.

Total City of Montgomery Savings	
Total Ineligible Dependents	288
Average Annual Cost per Dependent	\$4,200
Current Projected Savings	\$1,361,088