

University utilizes Dependent Eligibility Verification to ensure Fair Practices

WINTER 2011

A CASE STUDY

Industry:
Education

Business Challenge:
Meet corporate ethics demands in the face of ERISA and Sarbanes Oxley

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

Results:
ContinuousHealth found 4.6% dependents ineligible for benefits coverage. By removing these dependents, the university identified a potential annual bottom-line savings of \$229,600. The project achieved maximum compliance with 97.5% of employees responding to the verification.

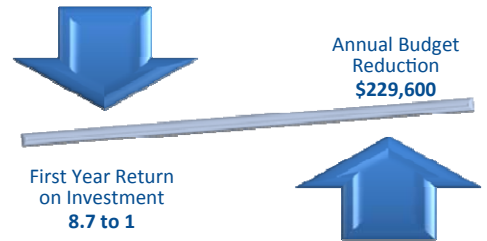
Business Challenge

A private liberal arts college desired to maintain just business practices and encourage responsible employee actions. The school was founded upon a commitment to the pursuit of truth, and with nearly 2,000 total employees and an extensive benefits package, university leadership knew they needed to evaluate the health care plan. The college's mission states that the school is about teaching students to be moral and responsible. The evaluation of the fair practices of their health plan was essential to bringing them further into alignment with their mission. Additionally, since 95% of their incoming freshmen receive scholarships, streamlining health costs ensured the best care for students in years to come.

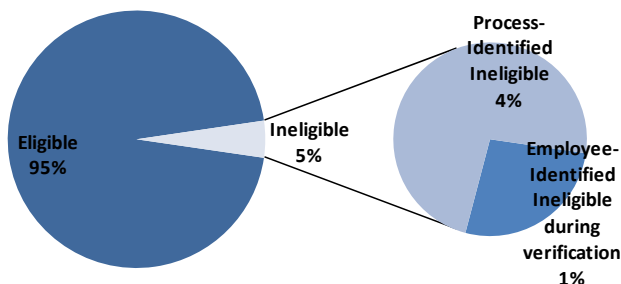
Solution

The university's leadership determined that both the moral and fiscal needs could be met by a dependent eligibility verification project. After researching the options, the college settled on ContinuousHealth, a company with similarly high ethics requirements, and the DA² Solution, for the positive response of past clients.

ContinuousHealth's DA² Solution is a 2 phased approach to best care for employees and achieve results. ContinuousHealth Dependent Audit (Phase 1) identifies ineligible dependents, regularly 5-12% of group plan participants. Dependent Alternative (Phase 2) offers employees the opportunity to find the best individual health insurance alternative for ineligible dependents identified during the Dependent Audit. ContinuousHealth offers the only voluntary and confidential integrated solution that manages hundreds of non-group health insurance alternatives. This soft landing supported the university's conviction to respect the dignity of employees and their contribution. It also minimized business disruption.



Dependents by Status Post-Verification



"I was pleased and impressed with the services provided by ContinuousHealth. Their customer service delivered as promised and employees were complimentary of the professionalism and responsiveness of the staff. ContinuousHealth made a very delicate and emotional process go smoothly and with less stress than anticipated. Management was pleased with the ROI as well."

Compensation & Benefits Manager



“I would definitely recommend this project to other universities, and I’ve passed around ContinuousHealth’s name to associates I know are looking for a dependent verification project.”

Associate Vice President for Human Resources

Total Savings	
Total Ineligible Dependents	56
Average Annual Cost per Dependent	\$4,100
Current Projected Savings	\$229,600

During the project, employees received communications directly from ContinuousHealth and co-branded with the university’s information. ContinuousHealth’s proprietary technology allowed the DA² team to execute the project with ease. The secure online portal, personalized for each employee, proved instrumental for the highly educated and white-collar faculty that the college employed, demonstrated as how clients logged in 540 times during the 10 week process. The Human Resources team was free to focus on other aspects of their work while still maintaining clean and compliant health insurance records.

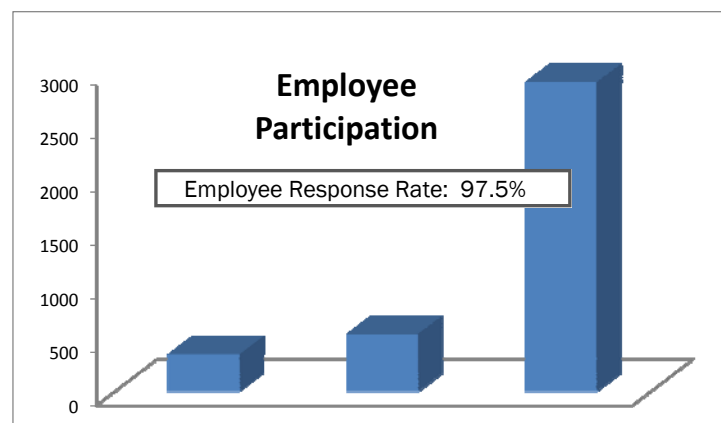
Results

The university finished the project pleased with the results. Leadership saw an immediate 8.7 to 1 return on investment, with over \$200,000 savings in the first year alone. The ContinuousHealth DA² Solution saved 0.1% of the college’s annual budget without sacrificing employee benefits or changing providers. This furthered the college’s

ability to care for its students with scholarships and a better guarantor on tuition costs.

During the project, the DA² team identified 56 dependents ineligible, representing 4.6% of the total group plan population. The verification project brought the university further in its desire to be ethically responsible, both as a corporate entity and as individual employees. While past projects with ContinuousHealth show only an estimated 1/3 of ineligible dependents are due to fraud (the rest resulting from lack of education or timing), the college’s leadership was pleased to know that after the verification, their records were 100% ethically compliant.

In the end, the ContinuousHealth DA² Solution perpetuated the college’s vision to set an example for students as morally responsible leaders in the community.



Employee Visits to Customized and Secure Online Portal Employee Phone Calls to Toll-Free Customer Service Line Received Documents



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.