

Auto Manufacturer in 1st Year of Production Frees Capital with Dependent Verification

WINTER 2011

A CASE STUDY

Industry:

Auto manufacturing

Business Challenge:

Care for Team Members while streamlining benefits and managing new spousal surcharge.

Solution:

ContinuousHealth's DA² Solution for dependent eligibility verification.

Results:

ContinuousHealth found 11.6% dependents ineligible for benefits coverage. By removing these dependents, the company identified a potential annual bottom-line savings of \$806,949.00. The project achieved maximum compliance with 96.8% of Team Members responding to the verification.

Business Challenge

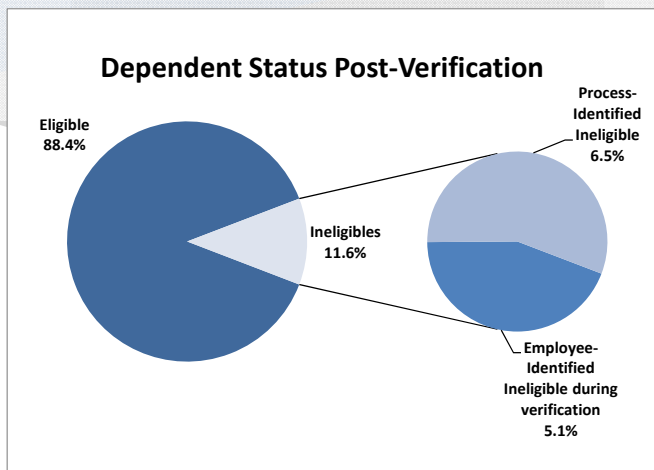
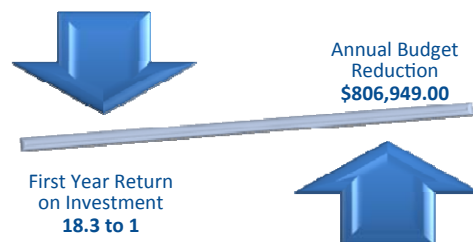
The leadership at a new \$1 billion automobile manufacturing plant in Georgia, knew that caring for Team Members was the most important aspect of their mission. Every aspect of the company's policy reflected their care for employees, including the verbiage mandating employees to be addressed as Team Members and treated with highest respect.

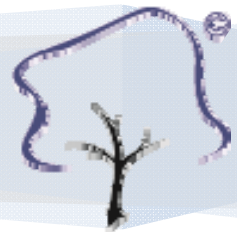
As a brand new plant, though, the company needed to keep costs down to maximize manufacturing capabilities. First up for fiscal scrutiny, as the plant increased their Team Member population by another 50%, was the health care plan. Responding to health care reform increases, leadership decided to implement a spousal surcharge. Human Resources wanted to execute the surcharge strategy carefully for all of their valuable Team Members. Investigating the health care plan was integral to both reduce costs and fairly establish the new policies.

Solution

Leadership knew ContinuousHealth's dependent eligibility verification project was the answer. ContinuousHealth proffered the DA² Solution, a verification project with which they had seen success for similarly situated clients.

With two hands-on phases, ContinuousHealth's DA² Solution allowed the company to care for Team Members while maximizing return on investment. Dependent Audit, the first phase, educates and assists employees to find ineligible dependents, an exposure risk which regularly make up 5-12% of group plan participants. The soft landing, called the Dependent Alternative and the second phase of the project, offers employees the opportunity to utilize a voluntary and confidential integrated solution, managing hundreds of non-group health insurance alternatives, in order to find





Total Savings	
Total Ineligible Dependents	363
Average Annual Cost per Dependent	\$2,223
Current Projected Savings	\$806,949.00

coverage for dependents identified as ineligible during the Dependent Audit. The soft landing met the level of respect this company demonstrates for its Team Members.

With every new project, ContinuousHealth takes time to customize the verification to meet the client's mission and environment. Working with the Human Resources team, ContinuousHealth determined several areas for increased Team Member care in order to further their mission to focus on employees. ContinuousHealth created a document to streamline the spousal surcharge requirement, a step that ensured that Team Members and their families were aware of the change and knew to meet the requirement. Awareness is a main component of ContinuousHealth's mission, since national research shows that 1/3 of ineligible dependents can be attributed to lack of education.

To further match the company's atmosphere, the DA² team customized communications. All deliverables were sent to KMMG to distribute, at the client's request. Additionally, ContinuousHealth replaced "employee" with "Team Member" in all written communications, and the Director of Operations trained all Eligibility Advocates to refer to employees as Team Members when handling phone calls and document submissions. While these changes seem minor, ContinuousHealth knew that the extra attention to detail ensured that the outsourced verification operated as an extension of the Human Resources department and maximized final results, particularly in Team Member response rates.

Results

Leadership saw an immediate **18.3:1 Return on Investment** and more than **\$806,509.00 in annual savings**. The DA² solution identified **11.6% of dependents on the group health plan as ineligible**. The project effected a nearly 100% Team Member response rate, showing minimal business disruption with maximum results.

Additionally, ContinuousHealth's verification assisted the plant as they successfully implemented the spousal surcharge, overcoming a hurdle that its relatively small Human Resources department would have otherwise had to surmount alone.

In the end, the ContinuousHealth DA2 Solution allowed the manufacturer to care for Team Members while maintaining fiduciary responsibility and freeing up capital.





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.