

Dependent Eligibility Verification Offers Health Service Company Savings without Coverage Changes

WINTER 2011 A CASE STUDY

Industry:
Health Care

Business Challenge:
Cut spending without cutting care for employees.

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

Results:
ContinuousHealth found **7.4%** dependents ineligible for benefits coverage. By removing these dependents, the company identified a potential **annual bottom-line savings of \$36,480 dollars**. The project achieved maximum compliance with **94.2%** of employees responding to verification.

Business Challenge

A small subsidiary of a health care organization with a few hundred employees needed to cut spending from an already lean budget. The leadership team knew the company health care plan offered opportunities for cost-reduction, but they wanted to care for their employees by not changing benefits. The health company believed that quality patient care stems from quality employee relationships, but the need to investigate this budget item was also an opportunity to ensure full compliance with ERISA. Compliance with ERISA aligned the service best with an important aspect of its company-specific compliance principles.

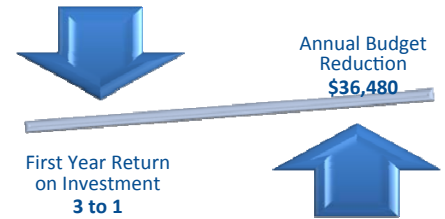
Solution

Looking to meet its unique needs, the health services organization enlisted ContinuousHealth and the DA² Solution to do a reliable dependent eligibility verification project.

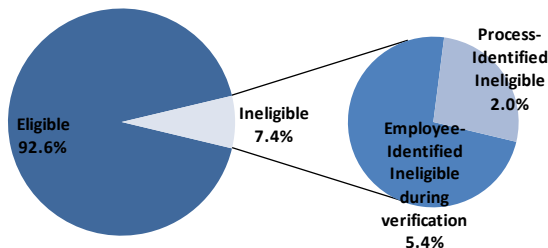
The organization chose the ContinuousHealth Dependent Audit (Phase 1) + Dependent Alternative (Phase 2) for the 2 phase approach and the 2:1 guarantee. Phase 1 of DA², the Dependent Audit, uses education and proprietary technology to identify ineligible dependents, an exposure risk which regularly makes up 5-12% of group plan participants. The Dependent Alternative, Phase 2, offers an option for dependents recognized as ineligible with a voluntary, confidential integrated solution. The Alternative manages hundreds of non-group health insurance alternatives, offering a soft landing to take care of employees. ContinuousHealth's proprietary technology allowed the DA² team to execute the project with ease.

Results

The dependent verification project was a success. ContinuousHealth DA² Solution resulted in **over \$36,000 in savings** projected for the first year alone, an incredible number to achieve **without changes to the provider or the coverage offered to employees**.



Dependents by Status Post-Verification



In the end, the ContinuousHealth DA² Solution allowed the Human Resources team the freedom to focus on other aspects of their job while cutting costs and honing a clean and compliant dependent coverage record.

