

Dependent Verification Achieves Immediate, Bottom-Line Savings for Tech Company

WINTER 2011

A CASE STUDY

KNOLOGY

Industry:
Technology

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

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

Results:
ContinuousHealth found **15.87%** dependents ineligible for benefits coverage. By removing these dependents, Knology identified a potential **annual bottom-line savings of \$505,008.00.**

Business Challenge

Knology, a leading provider of business and residential communications, 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 and Sarbanes-Oxley.

Solution

Having never conducted a dependent eligibility audit and growing rapidly through several acquisitions, Knology suspected that a significant number of the 1,410 dependents who were then enrolled in their healthcare plan were ineligible. Knology 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.

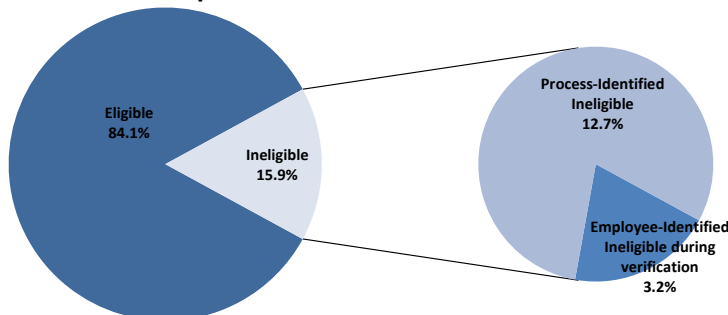
With multi-state locations and not enough time or internal resources to perform an objective internal audit, Knology turned to ContinuousHealth. To meet Knology's objectives while also taking their corporate culture into consideration, ContinuousHealth executed DA² (Dependent Audit & Dependent Alternative). DA² immediately lowers employer healthcare costs and associated risks by identifying dependents who are not eligible to receive benefits while simultaneously finding these individuals alternative health coverage.

Results

The audit found 15.87% of dependents to be ineligible for benefits coverage. Knology identified a potential annual, bottom-line savings of over \$505K. DA² accomplished the company's goal of reducing healthcare costs while continuing to provide cost-effective benefits to employees. In addition, conducting a dependent eligibility audit helped Knology educate its employees about the importance of following benefit guidelines and also raised awareness about how ineligible dependents can significantly increase costs for everyone participating in the plan.



Dependent Status Post-Verification



Total Knology Savings

Total Ineligible Dependents	216
Average Annual Cost per Dependent	\$2,338
Current Projected Savings	\$505,008