

Dependent Eligibility Verification Ensures Corporate Compliance for Auto Manufacturer

DECEMBER 2010

A CASE STUDY



TOYOTA BOSHOKU AMERICA

Industry:

Automotive Manufacturing

Business Challenge:

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

Solution:

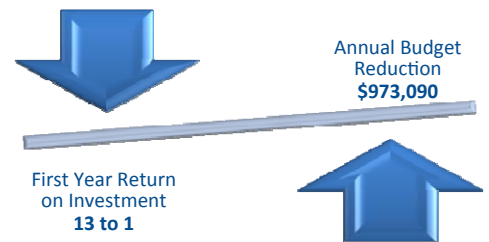
ContinuousHealth's DA² Solution for dependent eligibility verification.

Results:

ContinuousHealth found 9.7%, dependents ineligible for benefits coverage. By removing these dependents, TBA identified a potential annual bottom-line savings of over 1 million dollars. The project achieved maximum compliance with 98.5% of employees responding to the verification.

Business Challenge

For Toyota Boshoku America (TBA), corporate ethics and fair business practices are of the utmost importance. Its corporate philosophy mandated that it remain compliant and transparent in its activities, but TBA needed to be fiscally conservative at the same time. As a part of its compliance promotion system, an international committee formed to assure compliance, TBA decided that it was important to investigate its health care plan. As TBA's leadership researched the health care compliance needs, they realized that the investigation would reward the company three times over: it brought TBA into full compliance with corporate ethics requirements in ERISA and J-SOX and freed up capital, thus aligning the company more truly with its corporate philosophy ("*...promoting corporate growth while fulfilling our responsibilities as a good corporate citizen*").



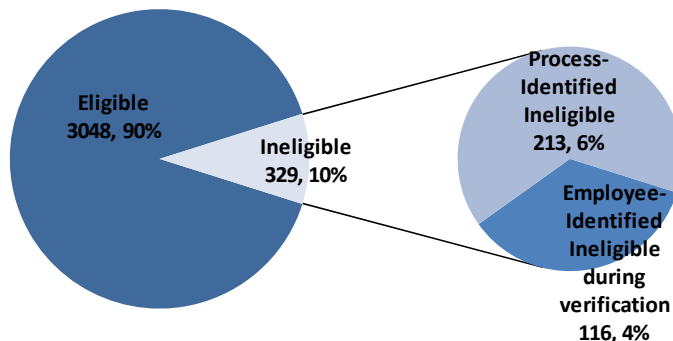
Solution

TBA leadership knew a dependent eligibility verification project was the answer. They contacted ContinuousHealth, a company with a similarly high ethics stance, and the DA² Solution, a verification project with which they had heard of success for similarly situated companies.

ContinuousHealth's DA² Solution operates in two distinct ways. The ContinuousHealth Dependent Audit begins by identifying ineligible dependents, which regularly make up 5-12% of group plan participants. The second important feature of the DA² Solution is the Dependent Alternative. ContinuousHealth offers the opportunity for employees to find the best option for ineligible dependents identified during the Dependent Audit via a voluntary and confidential integrated solution that manages hundreds of non-group health insurance alternatives. This soft landing kept

TBA on track with its corporate philosophy ("*... build and maintain positive labor-management relations*").

Dependents by Status after Verification





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

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

| Total TBA Savings | |
|-----------------------------------|-------------|
| Total Ineligible Dependents | 329 |
| Average Annual Cost per Dependent | \$3,139 |
| Current Projected Savings | \$1,032,731 |

As the verification project ended, it became apparent to Toyota Boshoku America that the problem of compliance would not be solved with one verification project. The problem of ineligible dependents was continual, as new hires and life events cause enrollment to fluctuate throughout the year. Realizing the magnitude of the original project and the success of employee response, with over 10,000 documents submitted and nearly 3,900 calls and web log-ins, TBA knew that an outsourced project, continuing to utilize the DA² team, was the best option. ContinuousHealth created a customized answer to the TBA request: the DA² Ongoing Solution.

Just as during the original verification, employees received customized communication with individual timelines based on TBA's requests. Employees participating in the ongoing verification received the same level of attention and care as TBA had come to expect of the DA² team during the original verification. ContinuousHealth's proprietary technology allowed the DA² team to execute the original project and all ongoing verifications with ease. TBA employees across the country could call the toll-free line or log into their own personalized and secure web dashboard to check their verification statuses according to personalized timelines. Human Resources at TBA was free to focus on other aspects of their work while still maintaining clean and compliant health insurance records.

Results

The dependent verification project was a success. ContinuousHealth DA² Solution resulted in a **13 to 1 return on investment**, with **nearly \$1 million in savings** projected for the first year alone. The Ongoing verification has, to date, granted an additional \$59,641 in savings, pushing their current projected annual savings over \$1 million.

The project achieved corporate compliance and assured TBA's ethics requests. During the two projects, ContinuousHealth identified 329 dependents as ineligible, representing 9.7% of dependents covered on TBA's group plan. As an ongoing project, the dependent verification ensures that TBA will never fall out of compliance with Sarbanes Oxley and ERISA.

In the end, the ContinuousHealth DA² Solution allowed Toyota Boshoku America to continue to carry out *Kaizen*, its corporate strategy to "aim to achieve higher goals" and continually change for the better its health care plan, its corporate compliance and its bottom line.

