

## Tanking Company Drives Down Costs with Dependent Eligibility Verification

WINTER 2011

A CASE STUDY

**Industry:**

Transport

**Business Challenge:**

Cut costs while caring for employees

**Solution:**

ContinuousHealth's DA<sup>2</sup> Solution for dependent eligibility verification.

**Results:**

ContinuousHealth found 14.59% dependents ineligible for benefits coverage. By removing these dependents, the tanking company identified a potential annual bottom-line savings of \$186,964.80. The project achieved maximum compliance with 99.4% of employees responding to the verification.

**Business Challenge**

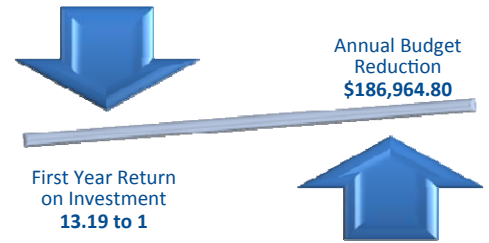
The leadership team at a leading independent provider of fluid transport and disposal services and equipment rentals for oilfield production knew they needed to cut costs in order to counteract increased gas prices. The CEO and CFO wanted, especially, to ensure fiscal responsibility as they led their company through 2011.

With several acquisitions in the past five years, one of the first budget targets was the employee benefits plan. Investigating the plan was key, but the family-owned business was cautious about negatively impacting their employees.

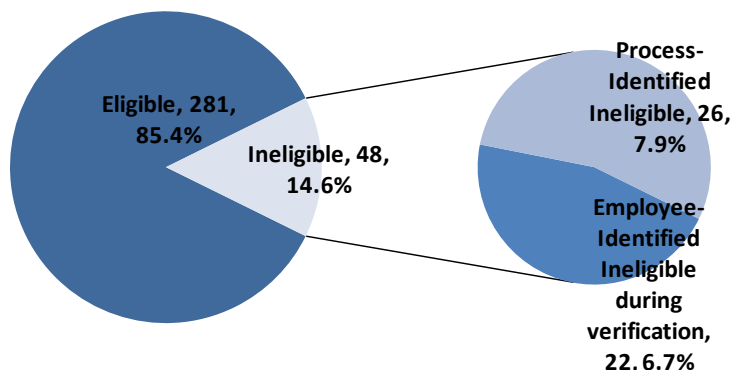
**Solution**

When the company's broker first recommended a dependent eligibility verification project, leadership was not sure it would generate results. Their employees were a close-knit community with under 400 dependents on the plan. The broker recommended ContinuousHealth and its DA<sup>2</sup> Solution, though, and since that project carried a 2 to 1 return on investment, the transport company decided to go with the verification as a no-risk effort.

ContinuousHealth's two-phases of educating and assisting employees through verification was appealing as a way to maximize compliance while minimizing business disruption. Phase 1, Dependent Audit, identifies ineligible dependents. This sheds light on an exposure risk: ineligible dependents regularly make up 5-12% of group plan participants. During the Dependent Alternative Phase, phase 2, ContinuousHealth counselors use proprietary technology to assist employees who have had dependents identified as ineligible to find non-group health insurance. This soft landing cared for employees while guaranteeing a clean and fiscally responsible plan.



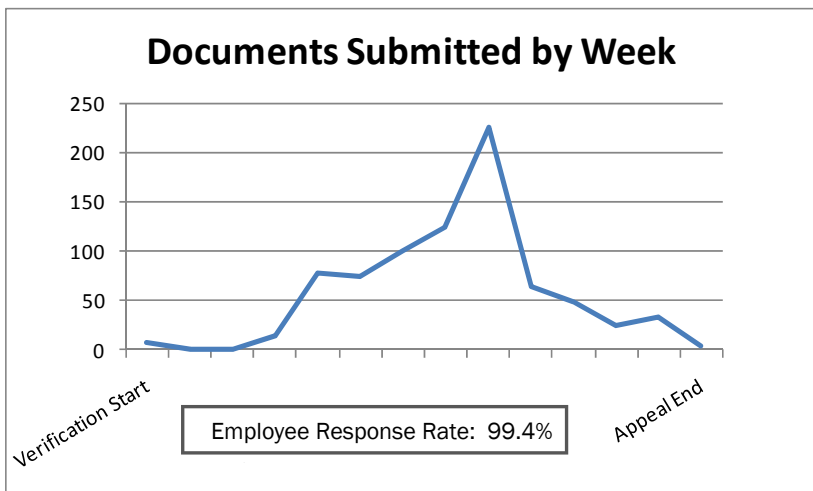
**Dependent Status After Verification**





Thanks so much for getting back to me and explaining it all. If there are more like you in your company, someone is doing something right!

*Email from an employee to a ContinuousHealth Eligibility Advocate*



Since many of their employees were drivers who travelled extensively, the company feared that employees may lose valuable document submission time due to lack of awareness of the project. The family-owned business did not want a single eligible dependent to lose coverage. Subsequently, the leadership team requested an extended Appeal Phase, which ContinuousHealth was glad to provide. By modifying their proprietary technology, ContinuousHealth allowed employees several more weeks of uninterrupted document submission. The change also prepared the ContinuousHealth Eligibility Advocates to handle any employee questions for that additional time, freeing up the company's Human Resources team while making sure all eligible dependents were verified.

#### Results

The dependent eligibility verification project saw an immediate 13 to 1 return on investment.

Leadership was surprised to find that 14.59% of the dependents on their group plan were not able to verify ineligible. Initial reaction was concern that some dependents would lose coverage if employees had not responded to the project, but the nearly 100% employee response rate evidenced that ContinuousHealth had conducted the project in a way that was fair and conscientious to employees.

In the end, the ContinuousHealth DA<sup>2</sup> Solution for dependent eligibility verification cared for employees while achieving minimal business disruption with maximum results and return on investment for the tanking and transport company.

<b>Total Savings</b>	
<b>Total Dependents Reviewed</b>	<b>356</b>
<b>Total Ineligible Dependents</b>	<b>48</b>
<b>Average Annual Cost per Dependent</b>	<b>\$3,895.10</b>
<b>Current Projected Annual Savings</b>	<b>\$186,964.80</b>



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.