

BENEFITS TECHNOLOGIES

Dependent Audit Case Study

Number of Employees: 1,100
Locations: 15 + primary locations scattered in 7 states
Scope of Project: Dependent Audit, Open Enrollment, Benefit Communication

HR Goals and Objectives

- Simplify Open Enrollment for HR and employees.
- Eliminate wasteful spending and claims exposure for ineligible dependents covered on health plan.
- Alleviate some of the administrative burden with the benefits program for an already overextended HR department.
- Update and revamp the voluntary benefits offering that had been neglected since it was first implemented.
- Develop and promote a communication campaign designed specifically to curtail employee over-usage of hospital emergency rooms and brand name prescription drugs.
- Improve employee comprehension and appreciation of the benefits program by providing personal enrollment interviews and “hidden paycheck” benefit statements.
- Implement an employee rewards program.



EVERY ENROLLMENT IS CUSTOMIZED TO AN EMPLOYER'S SPECIFIC NEEDS

Challenges

- No efficient means to verify dependent data.
- Geographic spread of employees.
- Employer faced a 16% renewal increase on company medical premium.
- Employer faced potential loss of employees with higher medical contribution requirements – increased turnover.
- Ineffective and poorly promoted wellness program
- Lower wage earners.

Solution

- **Dependent Audit Amnesty:** The employer offered a 2 month amnesty period to employees who were carrying ineligible dependents to remove those individuals from the plan without penalty. Following the amnesty period, the employer reserved the right to seek restitution for payments made on behalf of ineligible dependents, not wishing to follow through with the full documentation review process.
- **Data Cleanse/Dependent Audit:** The enrollment utilized benefit enrollment specialists, both on location and at Benefits Technologies' enrollment service center. Enrollment specialists updated all employee / dependent personal information to ensure that the most recent information was on file and that all dependents qualified for coverage under the plan.
- **Benefit Communication:** Developed pre-communication materials including customized glossy benefit summary guides, announcement letters, emails, and posters to be displayed in common areas. Communications were specifically focused to highlight the benefits of using generic prescription drugs versus brand names, mail order, and the wellness initiatives.
- **Value Added Employee Services:** Benefits Technologies offered all participants The Benefits Technologies Rewards Program at no cost to the employer or employee, granting employees access to major discounts at over 25,000 stores and restaurants.

Results

- Enrollment process with dependent amnesty yielded 75 ineligible dependents removed from the plan. At the national average cost of \$2,000 per dependent per year, this process saved the company \$150,000 in annual cost / claims exposure.
- Personal enrollment interviews and specially designed communications increased employee awareness of wellness program and the higher costs associated with using emergency room services and brand name prescription drugs.
- Generic prescription usage increased by 55% over a 1 year period.
- Increased participation (54% of employees enrolling in at least 1 available voluntary plan) suggests a reinvigorated voluntary benefits program.

