

Dependent Verification of Hospital Corporation Reveals Over 11% Dependents Ineligible

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A CASE STUDY



Industry:
Healthcare

Business Challenge:

Over 25,000 active dependents; 60 different HR branches; 54 different hospitals, many recently acquired and never formally verified.

Solution:

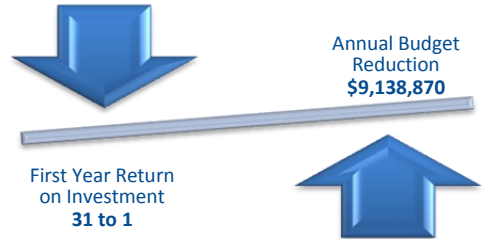
ContinuousHealth's DA² solution. Direct line of communication between DA² Account Managers and HMA HR, extended Appeal period and modified portal system to give individualized data to each HR representative.

Results:

ContinuousHealth found 11.3% ,or 2847, dependents ineligible for benefits coverage. By removing these dependents, HMA identified a potential annual bottom-line savings of more than \$9,000,000.

Business Challenge

Health Management Associates (HMA) knew their 2009-2010 goal to cost stabilize was no small task. With over \$83,460,000 in annual spending represented, their healthcare benefits package was an easy target to reduce expenditures. Analyzing costs in this area would not only help them address a major budget line-item, but it would also further their commitment to being a good corporate citizen by enabling them to be fully compliant with ERISA and Sarbanes Oxley. However, with 54 hospitals and 60 human resources teams, streamlining benefits costs seemed like an insurmountable task to accomplish with minimal business disruption.



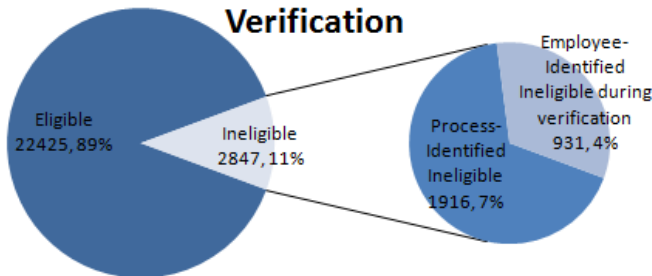
Solution

HMA knew the solution lay in a dependent eligibility verification. It chose ContinuousHealth and the DA² solution because of the positive return on investment it knew ContinuousHealth guaranteed.

The ContinuousHealth Dependent Audit (Phase 1) identifies ineligible dependents, which regularly make up 5-12% of group plan participants. The Dependent Alternative (Phase 2) offers a unique solution for dependents that are found ineligible during Phase 1, by providing them with assistance in finding affordable individual coverage. For a company which desired to uniformly provide for employees on a large scale, this soft landing was a perfect fit. The unique DA² process was appealing because it was the best way to keep HMA aligned with its corporate philosophy (...to provide its employees with the highest level of benefits possible), while accomplishing its goal to cost stabilize.

ContinuousHealth takes a customized approach to all projects, tailoring each process to best match client ideology. While preparing HMA's project parameters, the DA² team determined that the organization's varied infrastructure would require unique care. HMA wanted a standardized dependent verification process, even though its hospital system was extensive and nationwide. HMA

Dependents by Status after Verification



"I'd do it again, if I were with another employer."

Wayne Neiswender
Director, Human Resources



I can honestly say that I am impressed and delighted with the customer service I have received from all associates with Continuous Health. The emails and telephone conversations have been promptly received and any questions have been answered. Thanks again for making this an easy process!

HMA Human Resources Generalist

also prided itself on allowing each individual hospital the right degree of independence, (“maintain uniform strength... while allowing individual hospitals the degree of independence necessary”). ContinuousHealth’s solution was able to give HMA the customization it needed, while still maintaining the desired level of standardization across all business units.

ContinuousHealth’s proprietary technology allows it the unique ability to provide unmatched responsiveness. This was paramount to the success of HMA’s verification, since employees submitted nearly 65,000 incoming documents and called in over 13,000 times. To meet the individual needs of each HR team, ContinuousHealth established a direct line of communication between a DA² Account Manager and all of HMA’s HR representatives, sent biweekly communication, and generated status reports with individualized data for each hospital or clinic. HR knew that they could call or email the DA² team and receive an answer within minutes, which reinforced the partnership between the two organizations.

In collaboration with an ERISA attorney, a Lead Consultant generates a client-specific Dependent Matrix based on the company Summary Plan Description (SPD) at the onset of each DA² project. Mid-verification, HMA amended the interpretation of its SPD. Because of its experience, technology and resources, ContinuousHealth was able manage through this critical change efficiently, with no interruption to the timing and effectiveness of the overall project.

HMA Statistics	
Incoming Documents	64,945
Incoming Phone Calls	13,471
Employee Response Rate	97%
Active Dependents Reviewed	25,272
Total Ineligible Dependents	2847
Average Annual Cost per Dependent	\$3210
First Year Projected Savings	\$9,138,870

Eligibility Matrix

Dependent #/Type	Eligibility Criteria	If all criteria are met, the following documents are required
1 Spouse	• The person is currently your legal spouse.	• A copy of your marriage license AND • One form of dated (within 6 months) documentation establishing current marital status such as: a joint household bill, joint bank/credit account, joint mortgage or lease, or front page of your jointly filed federal tax return (with blacked out financial information) or front page of your individually filed federal tax returns both showing common current address.
2 Common Law Spouse	• This person is currently your Common Law Spouse as recognized in the states of: AL, CO, GA (if created before 1/1/97), ID (if created before 1/1/96), IA, KS, MT, OH (if created before 10/10/91), OK (if created before 11/1/95), PA (if created before 1/1/05), RI, SC, TX, UT and The District of Columbia.	• Affidavit of Common Law Marriage (may be obtained by contacting ContinuousHealth) AND • One form of dated (within 6 months) documentation establishing current status such as: a joint household bill, joint bank/credit account, joint mortgage or lease, or front page of your jointly filed federal tax return (with blacked out financial information) or front page of your individually filed federal tax returns both showing common current address AND • In those states with pre-dated qualifications (CA, ID, OH, OK and PA), a form of documentation that shows proof of joint residency or property ownership prior to the qualifying date.
3 Natural born child	He or she is: • Your natural born child AND • Unmarried AND • Under age 19.	• A copy of the child's birth certificate naming you as the child's parent.
4 Natural born child - overage full-time student	He or she meets the same requirement as Natural Born Child BUT • The child is at least 19 years of age and until they turn age 25 AND • Has been enrolled as a full-time student during the 2010 calendar year OR • Is within the first 12 months of a medically necessary leave of absence from school due to a documented illness or injury as defined under Michelle's Law.	• Same as for Natural Born Child AND • Documentation showing enrollment in full-time school during the 2010 calendar year OR • Verification of enrollment as a full-time student within the previous 12 months AND • A doctor's certification of a medically necessary leave of absence from school.
5 Natural born child - overage disabled	He or she meets the same requirement as Natural Born Child BUT: • The child is over the age of 19 AND • A child who is physically or mentally incapable of self-support if the incapacity occurred before 10/10/91.	• Same as for Natural Born Child AND • Statement of Disability verified by insurance provider must be on file with Human Resources.

Results

The project customization, paired with ContinuousHealth’s proprietary technology, paid off. HMA’s leadership saw an immediate 31 to 1 return on investment, with over \$9 million in savings projected for the first year alone.

Throughout the project, HMA and ContinuousHealth worked closely to deliver a customized solution. The rapport built between HMA and ContinuousHealth gave HMA confidence that the DA² team was acting as an extension of HMA’s HR. This minimized operational disruption while maximizing return on investment and compliance, apparent in the 97% employee response rate to the verification.

In the end, the ContinuousHealth DA² project left HMA better able to fulfill its company objective (“to provide the people... [and] capital necessary... to fulfill their local missions of delivering superior health care services.”)



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.