



OUTSOURCING SOLVES RISK EXPOSURES & BENEFITS ADMINISTRATION INEFFICIENCIES



CLIENT OVERVIEW

Northeast-based **\$90+ million non-profit**
1,500 employees; **700 plan participants**
Decentralized workforce

The Situation: Manual Processes Hamper HR's Ability to Manage Benefits Administration and COBRA Compliance

A non-profit organization's HR staff struggled to keep pace with its benefits program's workload despite the addition of a \$50,000 benefits administration module to the HRIS system.

The staff:

- Keyed enrollments by hand into several different carrier portals
- Manually reconciled billing, a two- to three-day process
- Inadvertently missed COBRA notification deadlines, leading to the threat of employee lawsuits, a government audit, penalties and fines

Like many non-profits, this business operates on a reduced budget, but continuous turnover in the HR department caused even more disruption. The non-profit repeatedly hired and trained benefits administrators but was unable to retain them. Due to a lack of qualified benefits personnel, the employer couldn't keep pace with the benefit program's transactional demands and hired Corporate Synergies to provide benefits administration outsourcing support.

Corporate Synergies reduced client-managed benefits administration activities by 500 hours annually.

The client avoided a **\$110 per-employee, per-day government fine for failing to provide COBRA notifications, mitigating a potential \$77,000 per-day penalty.**

The outsourcing solution resolved disruptions caused by turnover in the benefits department and eliminated the need for the client to hire an additional benefits administrator, saving \$92,000 in annual compensation*.

**Average salary for a benefits manager in the client's location.*

Source: Salary.com

Synergies360SM

Corporate Synergies takes a full view of the insurance landscape, studies it from every angle, pursues innovation where none exists, and transforms this deeper understanding into actionable strategies to protect our clients and their participants. We call our approach Synergies360.



For more information visit corpsyn.com or call **877.426.7779**

The Analysis

Corporate Synergies launched the engagement with a detailed review of the client's benefits module and HR's overall administration processes.

The analysis revealed significant errors that exposed the non-profit to large government fines and penalties:

- COBRA initial rights and qualifying events notifications were not distributed on time
- Employees electing the Flexible Spending Account (FSA) option were not enrolled in a timely manner
- Flexible spending account checks for COBRA participants were rejected

The analysis also exposed inefficiencies that drove unnecessary costs:

- Carrier feeds were plagued with a significant number of errors
- Incorrectly established eligibility groups resulted in improper rates and incorrect enrollments for a significant portion of employees
- Employee contributions were incorrect; participants had been undercharged for two years
- Certain groups of employee/employer contributions exceeded the actual premium
- Ineligible employees and dependents were covered

HR was also concerned that employees would balk at using the existing benefits administration module's self-service tools during enrollment.

The Turning Point

Corporate Synergies overhauled the client's benefits module to ensure the system calculated rates properly and assigned benefits to the correct employees. Current contracts and summary plan descriptions were applied to either correct or update all

benefit plan eligibility and rate tables. Corporate Synergies negotiated with the carrier to agree to self-bill for medical premiums, which is not typical for a fully-insured client.

To resolve the client's concern about using its benefits administration module's self-service tools during enrollment, Corporate Synergies provides one-on-one support to plan participants via its proprietary BenefitsVIP[®] employee advocacy center. BenefitsVIP advocates also assist employees with ongoing plan inquiries and assist in resolving claims issues.

The Results

- Rates and contributions now calculate properly and employees pay the correct amount
- Carrier feeds transmit enrollment data with minimal errors
- Billing is streamlined with payment-ready monthly reports
- COBRA processing is automated with a vendor file feed, eliminating the risk of lawsuits, government fines and penalties for missed notifications and other non-compliant processes

During Super Storm Sandy, HR had no access to its technology infrastructure for two weeks and only limited availability for another three weeks. Corporate Synergies' benefits administration outsourcing services kept the client's benefits program running, ensuring continuity with carrier and employee interactions.

The Bottom Line

Corporate Synergies' outsourcing strategy utilizes the client's existing systems and HR staff for a cost-effective solution. Outsourcing pays for itself by managing workflow and ensuring ongoing COBRA compliance.