



Case Study: Non-Profit Social Service Agency

Located: Northeast

Number of Employees: 855

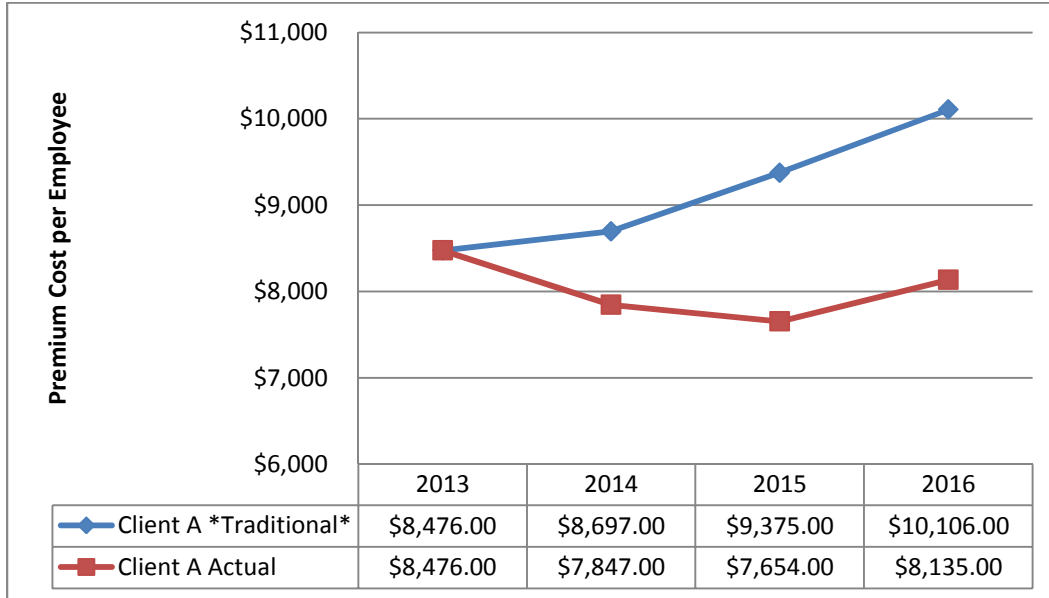
Number of Benefit Eligible Employees: 535

The Problem: This client is a Social Service Organization operating in the Connecticut. In July of 2014 this organization faced many challenges in regards to maintaining their employee benefit program. The State was continuing to cut their funding and as a result their budgets were drastically shrinking. The Affordable Care Act had taken effect January 1st and resulted in the potential of adding a significant number of variable hour workforce into their benefits program. Their current program was receiving a 15% increase and with the budget situation the organization was not going to be able to absorb any of the increase and would be forced to pass the entire increase onto their employees. They also were concerned with the long term affordability of the program for their employees and the potential fines they could face in the future as a result of The Affordable Care Act.

The Solution: They offered their benefit package through RKXchange. They selected a plan family from one of our medical carriers that offered the employees a choice of 8 medical plans. The medical plans varied in price point as well as in benefit level. The employer set their defined contribution at the same level of support as they had for 2013. They also offered the RKXchange's entire suite of products and services 16 different benefits employees could select from (Medical, Dental, Vision, Accident Coverage, Critical Illness, Cancer Coverage, Hospital Indemnity, Term Life insurance, Permanent Life Insurance, Short Term Disability, Long Term Disability, Pre-Paid Legal, Flexible Spending Accounts, Health Savings Accounts, Telemedicine). Employees would elect their benefits online for the first time and much care and thought was given to the communication and education strategy that would take place. A multi-pronged approach was developed allowing employees to process their enrollments through the system 3 ways; self-service from any internet or mobile browser connection, counselor assisted where an employee had a face to face individual appointment with a counselor or telephonic, where a counselor assisted the employee in navigating the system over the phone.



The Results:



Traditional - We utilized actual numbers for the client for 2013 and their renewal numbers for 2014. We trended the 2014 numbers based on the annual trend in the Segal Health Plan Cost Survey for 2015 and 2016.

Total Cost: As the graph illustrates the total cost of the program on an annual per employee basis has gone down 4% when you compare 2016 to 2013 actual data. If you assume average trend for 2015 & 2016 and compare performance if they had not made the change there is a savings of 19.5% or \$1,971 per employee annually. This translates to an annual savings to the plan of \$711,531.

Employer Cost: The employer has maintained the same employer contribution since 2014.

Employee Cost: The employee cost, meaning the cost for premium coming out of their paycheck has been reduced from \$1,717 in 2013 to \$565 in 2016. That is an annual savings of \$1,152 or a savings of 67% compared to 2013. This has been a huge benefit for an agency that has seen a decrease in funding. From a practical standpoint the employees average salary is \$40,000 annually and the savings represents an almost 3% raise in wages.





Additional Results: As mentioned above the RKXchange solution provided this client the ability to offer and manage a benefits program that contains 16 benefits and services and provides a more comprehensive approach to educating the employees about these benefits and services. As a result the client has a more informed and educated employee and it has resulted in better participation and a true consumer experience, where each employee can customize their benefits program to meet their individual/family needs.

Participation Results:

Product	Participation %
Medical	67%
Health Savings Accounts	81% (of employees eligible to participate)
Dental	64%
Vision	44%
Accident	37%
Cancer Coverage	10%
Critical Illness	26%
Hospital Indemnity	13%
Permanent Life Insurance	12%
Supplemental Term Life Insurance	21%
Short Term Disability	43%

Administrative Results:

Eligibility – All of the eligibility is sent electronically to all of the providers of the 16 benefits and services offered to the employees.

Billing – The billing is a consolidated billing process through RKXchange so that all premiums are sent to the client on a single bill and paid conveniently through a single ACH payment.

COBRA – Administration of COBRA is handled directly through RKXchange. The client processes the termination in RKXchange and Rose & Kiernan’s administrative unit is notified to send out the COBRA election notices to the affected employee.

1094 & 1095 Reporting – The client was able to process their 1094 & 1095 forms through RKXchange. The system’s logic was able to interpret the appropriate coding as well as produce and mail the forms to the employees and submit the file electronically to the IRS for a fraction of the cost of other vendors providing these services.

