Reduction Administration, Billing Headaches Associated with Multiple Voluntary Plans
An International Carrier’s Success Story in Leveraging Process and Leading-Edge Technologies

A growing number of employers of all sizes continue shifting greater responsibility for medical and ancillary insurance costs to their employees. At the same time, they are looking for ways to offset the dip in employee morale that accompanies those cost increases. For many, voluntary insurance plans present a viable solution by offering employees guaranteed access to valued services for no direct employer cost. It’s a win for both sides.

However, the catch comes when an employer experiences increased administrative time and billing hassles to manage multiple voluntary plans. Alleviating that aggravation for its clients, coupled with a desire to reduce administrative costs and streamline the overall payment process, drove one international carrier to look for a better solution.

The carrier wanted to combine two business units and leverage its experience in the individual voluntary market to create a compelling worksite voluntary offering with a three-pronged focus – unmatched efficiencies for the agents selling, the employers offering and the employees using voluntary plans. After its internal attempts at automation failed to produce the desired results, the carrier recognized it needed a partner with specialized technology and experience to achieve the significant improvements it needed to become a market maker.

With that realization, a rigorous and lengthy RFP selection process was initiated that included the review of outsource technology providers, third-party administrators (TPAs) and Business Process Outsourcers (BPOs). Carrier executives ultimately chose HealthPlan Services (HPS), a leading provider of service and technology solutions to the insurance industry, based on the firm’s domain depth, solid methodologies and leading-edge technologies that could easily refine core administration functions, provide seamless web experiences and aggregate billing.

Challenges
The same voluntary plans and options that offer choice and flexibility to employees can create back-end complexities for agents and employers. As employee benefits packages become more diverse, the number of separate premium billing statements increases, as do the resources required to process them. Even when premiums can be consolidated into a single bill, reconciliation can be a nightmare for employers.

Further, for the carrier, allocating clients’ premium payments across multiple ancillary products such as dental, critical illness, and life can be a complex, inefficient process.

In addition to resolving those challenges, the carrier wanted the ability to show the variability of each plan when agents created a quote. It was counting on HPS’ domain experience, proven process and web technologies to present a “ala carte buffet” of voluntary insurance options.

It was also important to give employers and employees the flexibility to use consolidated deductions for different products across multiple payroll cycles. Operating on a monthly payroll deduction cycle was limiting, and employers using payroll service companies are often restricted by the number of deductions that can be listed on individual payroll checks. If multiple voluntary
plans bumped deductions over that amount, the employer would have to spend more administrative time manually consolidating the amounts to be deducted from each paycheck. This made the ability to generate a consolidated electronic billing (eBill) an important requirement.

Finally, the carrier wanted employers to be able to electronically review and reconcile payments in real time. The challenge – the carrier had practically no web self-service capabilities.

**Solutions**

HPS’ solid, systematic approach proved to be crucial in aligning its proprietary implementation methodologies and application systems with the carrier’s desired capabilities. Moving step-by-step through HPS’ highly-structured process was a business-critical task that clarified the required quoting, billing, deduction and reconciliation functions for all of the carrier’s voluntary plans.

The carrier was well positioned to take full advantage of HPS’ extensive service and technology solutions, many of which are modular and can be unbundled as needed. For this carrier’s voluntary plans, HPS provided a complete administration solution that included:

- Sales and distribution
- Broker, employer and individual web tools
- Integrated enrollment
- Underwriting
- Policy/document generation
- Eligibility Management
- Multiple product billing aggregation, premium collection and allocation
- Customer care call center services
- Commission and financial systems integration
- Renewal administration
- Claims adjudication

Drilling-down on these services, it’s important to highlight HPS’ e-billing and consolidated list billing components, as they are critical to both the project’s success and the end-users’ satisfaction.

HPS employed Platypus, the company’s patent-pending technology platform that was developed by its long-tenured and knowledgeable subject matter experts. Platypus was specifically designed to streamline the process by supporting multi-product/multi-carrier proposal generation through billing aggregation and cash allocation to various constituents. For this carrier, Platypus radically changed how multiple voluntary plans are quoted, tracked, billed and reconciled.

Platypus simplified the carrier’s quoting process by capturing benefit selections on a product-by-product basis to generate an individual quote. Enrollments were added through an HPS-developed web portal that enabled a direct upload to Platypus. Ongoing, agents can access the same web portal for servicing information like underwriting status, billing history and payments and commissions.
Next, Platypus helped consolidate and speed the carrier’s billing capabilities.

Payments are generated directly from an employer’s payroll system, which details payments for all voluntary products. Platypus then tracks bills and premiums down to the individual product and individual employee regardless of the payroll cycle timeline. Platypus can show, for example, that an employee’s disability income product was paid, but a voluntary life product was not. Employee deductions can be made biweekly, monthly or on an employer-directed payroll schedule.

Through Platypus, the carrier can receive a lump-sum payment from an employer, then automatically process and allocate it across multiple voluntary plans. The carrier also receives reports down to product and employer- and employee-payment levels.

HPS then took Platypus’ power to employers by generating a HIPAA-compliant eBill delivered via email including a link to a secure website. Through Platypus, HPS can accurately and efficiently aggregate premiums for multiple voluntary products under one customer account to create a single, detailed eBill for all premiums not only showing the total amount due but also the individual payroll deduction amounts that the employer needs to know to properly collect premiums from each employee. When payments are received, Platypus automatically and appropriately allocates payment to each product.

Using the carrier’s web portal, employers can view bills using multiple functional formats like a list bill, a self bill or an aggregated bill. They can then make any necessary adjustments, and submit an electronic payment – without generating paper or pouring over confusing forms.

**Results**

When the carrier first came to HPS, its voluntary business units were fragmented and it had no group experience. By leveraging HPS’ processes, expertise and lead-edge technologies, the carrier launched a national line of voluntary products in 120 days that now serves more than 134,000 employees and generates $50 million in annualized premiums.

The carrier’s voluntary plans offer tremendous flexibility and billing convenience. HPS’ refined processes and technologies save the carrier’s customer countless administration hours and make payment and reconciliation a breeze in comparison to traditional standards.

The carries is also on track to see increased customer satisfaction. The opportunity to receive a single premium bill bundled with the ability to process changes, such as employee terminations, online in real time, offers greater efficiencies with lower administration costs. The carrier is now changing the way employers view managing multiple voluntary products – a position made possible by HPS’ proven methodologies, Platypus platform and service and technology solutions leadership.
About HealthPlan Services
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