

Case Studies

WHEN FAIRVIEW HEALTH SERVICES LEFT BENESYST, ONLY TO RETURN THE FOLLOWING YEAR – THEY FOUND THAT LOWER COST OPTIONS DON'T ALWAYS EQUAL THE BEST VALUE FOR BENEFITS SERVICES

Fairview Health Services is a non-profit health system headquartered in Minneapolis, that employs over 22,000 healthcare professionals and 2,500 affiliated physicians. The company owns seven hospitals, including the University of Minnesota Medical Center, and provides a wide range of specialty services. Fairview decided in 2009 to move from Benesyst to a lower priced vendor to manage their FSA benefits. In 2010, they reversed that decision and returned to Benesyst.

LOWER PRICE DOES NOT ALWAYS EQUAL HIGHER REWARDS

In 2009, as a response to a tight economy and the recession, the management at Fairview Health Services was charged with finding more cost-effective solutions for many services, including their Flexible Spending Account administration. As a result, Fairview decided to switch from Benesyst to a lower-cost vendor for their FSA management, effective January 2010. Vicki Celander, Director of Benefits, remembers that “the decision to leave Benesyst was not unanimous. It was a decision that was made purely on perceived cost, and as happens so often, you can look at the price and not realize that there are other costs that enter into it.”

By summer, concerns were beginning to surface, along with complaints the new administrator was difficult to work with, and that their operations were “siloed” and not well-coordinated, which negatively impacted the service being provided to FSA participants.

In addition, Ms. Celander remembers two key issues that provided further cause for alarm. The first was service quality. The new administrator’s dropped fax rate was 5%, which they deemed an acceptable standard in the industry. The second was their refusal to include reporting separated by benefit plan, needed by Fairview for legal reasons. The administrator agreed to add this reporting at a rate that was prohibitively high (Benesyst had provided this service as part of their standard offering).

“Although it appeared we were paying more for Benesyst,” says Ms. Celander, “it proves the adage that sometimes you get what you pay for, and that you need to factor service into the cost equation. It is unusual that we change providers, so there was hesitancy to make another change and confuse our employees. However, we decided quickly it was in everyone’s best interest to move back to Benesyst for 2011.”

BENESYST BELIEF #2 P R O V I D E E X T R A O R D I N A R Y V A L U E

We believe that we should provide the greatest value for the employer’s money – period. To accomplish this worthwhile goal, you generally can’t be the cheapest solution on the market. Our conscientious approach means more beneficial outcomes for every dollar invested in Benesyst services.

FAIRVIEW

www.fairview.org

INDUSTRY

Healthcare/Hospital

CHALLENGES

Budget challenges prompted Fairview management to seek lower cost vendors that could provide apparently similar benefits administration services.

New administrator added charges for previously included services, which added significantly to the overall internal cost.

BUSINESS IMPACT

Benesyst and Fairview managed a smooth transition and open enrollment for 2011.

A HEALTHY RETURN

Fairview was already in discussions with Benesyst for other services, including the management of leave-based direct billing. When the conversation turned to their recent troubles with the new FSA vendor, "it just kind of triggered the question of whether we could do it," says Ms. Celander, "can we turn around this major engine before open enrollment? We worked with Benesyst very diligently and quickly to make the arrangements, and it was approved, and we moved forward." In an environment that considers every option and change very carefully, Fairview's decision to revert to Benesyst was made quickly and confidently. The experience with the new vendor quickly exposed operational deficiencies and hidden costs. Overall, it highlighted a difference between Benesyst's partner-oriented philosophy and value system compared with the vendor's sales-driven practices.

But corporate approval is only part of the process, and the Fairview HR team knew they would have to address concerns from the staff about making another major change. "We focused a lot on the auto-adjudication process to promote the changes," says Ms. Celander. "We communicated that although we are changing (vendors), we are selecting a technically better product, and you won't have most of the paperwork associated with your health and dental claims." In conjunction with Benesyst, a positive internal communications campaign was launched, focusing heavily on Benesyst's paperless process and service orientation. As a result, Fairview was able to stem both the complaints regarding their new vendor, and proactively address any concerns the staff might have about making another transition so soon.

When the time came for the Fairview staff to begin open enrollment, their HR staff and Benesyst representatives had worked hard to achieve success for Fairview. Ms. Celander reports that during the transition back to Benesyst, Fairview's open enrollment for 2011 went "quietly" and without issues or incidents. "There was a fairly detailed project plan covering everything that had to happen and by what date. And all of that

ABOUT BENESYST

Benesyst is an established, high technology, high performance benefit administration outsourcer. Benesyst is the creator of BeneSmart®, an industry-leading web-based (SaaS) benefit enrollment & eligibility management platform that automates key benefits management processes while equipping organizations with advanced tools to enable strategic oversight, improve bottom line results, and elevate employee engagement. Benesyst is also a best-in-class FSA, Wellness and COBRA/Retiree Continuation administrator, offering high performance and innovative solutions for these traditionally outsourced services. Our carefully selected and experienced staff combined with continual investments in communication, processing and interactive technologies provides employers with benefit outsourcing services that receive industry-leading HR and participant satisfaction ratings. By partnering with Benesyst, you are ensuring your organization's success. Our long-term client retention rate exceeds +97%; just one indication of the regard in which employers and the consulting community hold our services.

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– Vicki Celander, Director of Benefits

was handled very well by the Benesyst and Fairview staffs." Because of Benesyst's dedication to meeting their client's specific needs, and it's tradition of working closely with the staff of its client companies, Fairview was able to reinstate Benesyst as the FSA administrator, with positive reviews from staff and employees alike.

SERVICE REQUIRES A PERSONAL APPROACH

The fact that Benesyst had managed Fairview's FSA accounts previously made the transition process easier, but Celander also believes that Fairview's good working relationship with Benesyst was an even greater factor to its overall success. "We knew that since we used Benesyst before, we were familiar with staff, and were happy with their responsiveness. They had more credibility. If they said something would be done, it would be."

The lower-priced vendor had a complex corporate structure, which led to conflicting promises, procedures and internal miscommunications. "Benesyst seems more cohesive," says Ms. Celander, "more team-like, more coordinated. The people (within Benesyst) know what the others are doing."

In retrospect, Ms. Celander says that she remains confident that with Benesyst, "there will be more attention paid" and that the staff at Fairview will leave behind the difficulties that resulted by moving to what initially appeared to be a lower-priced vendor.

"I look forward to working with a more accountable organization!"