



## Health & Welfare Benefit Administration Operational Audit Delivers 9:1 ROI for Fortune 500 Company

### Situation

A global Fortune 500 company engaged Curcio Webb to conduct an operational review of their Health & Welfare (H&W) benefit administration provider. Their decision to initiate the review was due to concerns regarding the content and timing of financial reporting, invoice accuracy, and account-based plan (FSA, HSA) administration adherence to plan rules.

### Challenge

The company prioritized their areas of concern based on recent experience, and the review was structured to address financial reporting, administration invoices, and account-based plan administration. Processing materials, documentation including quality controls and source data, and invoices with supporting materials were reviewed for the most recent full calendar year. The challenge was to mine a significant amount of data and information in support of the focused review.

### Solution

While several administration processes and controls met expectations and the financial reporting was accurate, the review resulted in the identification of some areas of improvement as well as anomalies with the headcounts utilized for benefit administration invoicing. Areas of improvement included the need to update certain requirements documents to ensure accurate operations and reporting, and the need to validate if invoices match contract provisions. Invoicing discrepancies required a thorough examination of headcount and billing practices for several years.

### Results

As a result of the invoicing issues identified during the operational audit, the company received a significant refund from the provider equaling a 9:1 ROI on the cost of the operational audit. Additionally, the company and provider strengthened operational efficiencies and data accuracy by working together to review and update all requirements documentation. This work also enhanced the relationship between the company and provider.

### Is it time for an operational check-up of your H&W benefit administration provider?

Operational reviews provide plan sponsors with an objective view into the accuracy of plan administration and can help minimize the compounding impact of any gaps or errors.

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