Beneration

Hospitality Management Group Immediately Finds Annual $400,000 Savings with Discrepancy Reporting

▶ An Immediate ROI of $400,000

A large hotel ownership and management group based in Atlanta, Georgia frequently acquires new properties, and in turn, absorbs employees and their existing benefit plans. In an industry with high employee turnover and frequent acquisitions, managing the transition of employees onto and off of benefit plans is a challenge.

With just over 2,800 employees across 48 hotel and office locations, the hospitality group was spending around $360,000 in monthly premiums, network and stop loss fees on medical, dental, and vision lines. It took significant time and resources to convert, compare, and audit separate invoices from their numerous carriers.

In November of 2018, the hospitality group implemented Beneration's VerifiaBill software for Carrier Invoice Consolidation and Auditing to help save time and identify billing errors. Their audit of November's invoices revealed an absolute value of $33,674.39* in discrepant monthly premium spend across all carriers and lines of coverage. This equated to 9.29% of their entire monthly employee benefit expenses.

Assuming the group would not have identified these errors otherwise and would have continued incurring the same errors month over month, Beneration's discrepancy identification process saved them more than $400,000 annually – far exceeding the cost of the service.

While this case identified above-average invoicing and coverage errors, companies using Beneration still find an average of 5% of their premium spend in error. With $100,000 in monthly premium spend, it's typical to identify $5,000 of discrepancies in month one. On top of that, these figures do not include the added liability of carrying employees that have incorrect coverage, or worse, no access to care.

▶ Real-Time Invoicing of Divisions

In addition to finding huge savings, the hospitality group used VerifiaBill to develop a more robust accounting process, pleasing individual property managers along the way. Through 2018, their group would run an annual end-of-year analysis to determine a flat rate that each property would contribute to employee benefits. Each property would then pay the same amount throughout the rest of the year – eliminating any potential cost savings (or additional expenses) for fluctuations in staff.

Using VerifiaBill's cost allocation report, their group allocated every dollar paid to carriers to the individual hotel property where it was incurred. This not only allowed them to have spot-on accounting of their benefit spend, but also allowed them to begin invoicing properties in real-time beginning January 2019.

Beneration helps accounting departments save time on manual processes and get a real handle on their monthly premium expenses – no matter how big or small their company is.

*The difference between expected premium from a benadmin system and actual invoiced premium – NOT including potential invoice timing discrepancies or those resulting from adjustments made to carrier invoices.

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