

Health and Welfare Benefits Economic Audit

Audit Goals

- Assess the cost and benefit payment ratios of health and welfare programs
- Evaluate group's health needs profile
- Compare your programs' policy provisions and costs to your industry's norms
- Compare contributions policy to industry norms
- Prepare a defined contribution strategy (essential for evaluating the impact of health care reform)
- Project how health and welfare program affects salary structure
- Assess care alternatives: e.g., on-site clinics, tiered networks, alternative care models

Audit Process

Scope:

- Health Benefits
- Wellness Program
- Pharmacy Benefits
- Dental Benefits
- Life Benefits
- Disability Benefits
- Paid Time Off Policy
- Employee Assistance Plan
- Funding method assessment (e.g., fully insured vs. self-insured)

Review:

- Summary plan descriptions
- Rates and premium
- Costs (what you and your employees pay; compared to % of payroll and revenue)
- Benefit payment value (what plan pays in benefits vs. employees' out-of-pocket costs)
- Account-based (e.g., HRA, HSA consumer savings account) programs
- Health and welfare benefits insurance cost history
- Health care needs history
- Benefit change history
- Plan documentation
- Employee feedback
- Bid history
- Benefit management: internal and external roles, responsibilities and costs

Report

- Cost and contribution normative comparison
- Health care needs normative comparison
- Benefit value normative comparison
- Affordability profile for employees and group
- Advisor program management analysis
- 5 year cost projection
- Healthcare reform impact analysis

