

# NEGATIVE IMPACTS OF A MULTI-PLATFORM APPROACH TO CDH AND COBRA BENEFITS

Employee benefits is a highly competitive industry. TPA firms must do two things to build a profitable employee benefits administration business:

Work efficiently by streamlining their benefits administration processes

Deliver a high-quality experience to clients and account holders



Many TPAs use multiple technology platforms to provide benefits administration services even though it is less efficient and leads to redundant costs. The downsides of a multiple platform approach include a negative impact on cost, user experience and accountability.



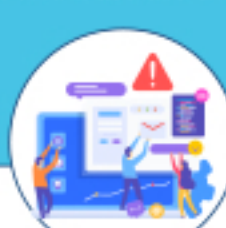
## MULTI-PLATFORMS = A "FRANKENSYSTEM" APPROACH

Using multiple platforms to provide TPA services can result in a number of problems that lower the quality of service and frustrate clients.



### Increased Operational Costs

- Each platform requires its own development and support teams
- Additional staff required to manage each platform increases salary, benefits and overhead costs
- Multiple-platform vendors can't offer the volume pricing available through a single-platform vendor



### Lack of Automation

- Different platforms often don't integrate with each other
- Requires double entry which is slow, inefficient and prone to human error
- Takes longer to make changes or update data
- Incorrect data in one or more platforms can cause problems for clients



### Compliance Issues

- Employee benefits is a highly regulated industry
- Compliance issues can arise when separate platforms don't integrate with each other
- Incorrect data and delayed communications can result in penalties to employers and loss of coverage to employees



### Lack of Coordinated Customer Support

- Having different customer support teams for each platform reduces efficiency
- Quality of support from platform vendors can vary widely
- Lack of one vendor with a "big picture" view of the entire system can lead to bad decisions for the TPA and clients



### Implementation and Functionality Problems

- Takes longer to get multiple systems up and running
- Updates or new features on one platform may not work well with others
- Employees must learn to use multiple systems instead of just one

Using a single platform provides a better experience for everyone, including TPA, employer, and participant.

## BENEFITS OF A SINGLE-PLATFORM APPROACH



### Stable costs

Overhead and labor costs are more predictable and reduce excess with a single platform provider.



### Centralized portal

Delivering administration, banking, and investments through a single portal provides a more cohesive experience for clients. It also creates a streamlined workflow and a more flexible team for the TPA.



### Lower fees

Charging lower fees due to reduced overhead and fewer redundant expenses can create a competitive advantage.



### Global recordkeeping

TPAs who offer CDH account and COBRA services can use one platform that utilizes single employer and participant records for all benefit types



### Superior customer service

Having a single point of contact allows for faster, easier and more transparent problem solving. If the TPA needs assistance, a single solutions provider has greater insight and capability for addressing and resolving any issues



### Tighter data security

A single platform reduces the transfer of employer and employee information and minimizes the risk of data breaches