

Case Study: City of High Point, N.C.



The City of High Point, N.C. selects ADP Benefits Solutions to modernize and optimize its FSA and COBRA services

For more than 100 years, the City of High Point, North Carolina, has been called the “Home Furnishings Capital of the World,” and with good reason. Twice a year the city hosts the International Home Furnishings Market, the largest wholesale home furnishing show in the world, attracting over 100,000 exhibitors and buyers from the U.S. and 110 other countries.

Today, High Point is known as “North Carolina’s International City.” High Point’s population has grown by close to 30 percent in the past ten years, making it one of the fastest, if not the fastest, growing communities in North Carolina.

This continuous and rapid growth brings mandates to improve and increase services, while keeping fund allocation in line. One of the city’s current major initiatives is to pinpoint areas where modern technology could empower employees to improve productivity and help the city attain these goals. The City of High Point selected ADP’s Benefits Solutions to automate their FSA and COBRA services, empower employees through self service capability, and optimize efficiencies.

City of High Point Benefits from Automating FSA Services

Flexible Spending Accounts (FSAs) enable employees to contribute pre-tax dollars toward their health and dependent care. FSAs are a high-value benefit to offer employees, providing tax advantages to both the employee and the employer. The City of High Point has around 1,400 employees, and 140, or roughly 10 percent, participate in an FSA program.

Client’s Challenges

- Inefficiencies due to paper-intensive processes
- Slow claims processing and reimbursement distribution
- Compliance concerns related to inaccurate filings
- Low employee enrollment and participation in FSA program

ADP’s Solution

- Flexible Spending Account (FSA) Administration
- COBRA Administration

Benefits

- Fewer work hours spent administering programs
- Reduced FSA claims processing time from two weeks to two days.
- Minimized compliance exposure by eliminating manual, paper-intensive processes
- Modern systems, including employee self service capabilities
- Anticipate increased adoption in year two of the program

“Previously, our FSA claim reimbursements were processed manually, in-house,” Sherri Toney, human resource analyst for the City of High Point said. “Employees filled out a piece of paper and then brought it up to us. We had to manually key in the data and handle everything.”

“We had two employees working on this: one person kept up with the FSA reimbursements and did the paper work required by COBRA, including printing forms, assembling and sending packages, and one person collected the COBRA premiums,” Toney said.

Here was an opportunity to reduce administrative burdens on the human resources department, improve the participants’ experience and promote responsible financial stewardship.

City of High Point and Its Employees Benefit from ADP Self Service

“Employees now can keep up with their FSA plan activity on the Web,” Toney added. ADP Self Service is Web-based and enables employees to manage and track their FSA claims and account balance at any time.

“Now we do not have to keep up with any of that. Our employees file their FSA claims directly with ADP, either online, by fax or mail,” said Toney. “Then ADP handles the rest.”

From reviewing claims for proper documentation and completeness to processing and distributing payments, Toney says, “ADP has definitely saved man hours. Plus, the employees who previously handled the administration are now doing something more worthwhile.”

Speedy Reimbursement: It’s in The Card

Toney notes that reimbursement to employees is easier and quicker now with more flexible payment options that include check, direct deposit or the FSA Visa debit card.

“Before when employees filed a claim, they would have to wait for their reimbursement until their next paycheck, which came every two weeks,” Toney said.

“Now employees can be reimbursed through their FSA account by a check, direct deposit payment, or they can use their FSA health care account card.” ADP

electronically applies eligible FSA expense reimbursements to ADP’s health care account card, a secure, Visa-branded card. What is the most popular reimbursement medium amongst the employees so far? “Probably the FSA Visa debit card,” Toney said.

“With the card, they’re reimbursed instantly. I’ve just educated a couple of people who didn’t understand how they can use the card to pay expenses without filing claims. I think now that they’re used to it, they will enjoy it.”

Streamlined COBRA Services

The city’s COBRA administration has also been streamlined, according to Toney. “It used to take quite a bit of time, probably several hours to generate the letters, make copies and handle the packages. Now with ADP, it’s all taken care of.”

ADP also keeps current with government regulations to assist with compliance, which is another benefit Toney likes. “With ADP, we have a much higher comfort level regarding accuracy and compliance.”

Transition and Integration: Very Easy and Smooth

When selecting a vendor, the City of High Point wanted a solution that could easily integrate with their current employee data and deliver a smooth transition. The city had already completed the current benefits open enrollment internally, using paper and manual processes.

Integration and implementation are factors that led to the selection of ADP, according to Toney. “We had several projects going on at the same time, yet the transition with ADP was very easy. The implementation team was very knowledgeable and good to work with. They began transitioning our FSA and COBRA information and implementing the new ADP solutions in mid-January of 2007. They finished by April 1, 2007.”

Favorite Feature

When asked to name her favorite feature of the ADP Benefits Solution, Toney didn’t hesitate. “The card. I’m pro-card. I like the benefits of the card, the fact that the contribution amount is there right away, instead of every two weeks. Even if I wasn’t in HR, I definitely would have a card.”