Health e(fx)
Simplifying Health Reform and Compliance

They say size doesn't nearly matter as much as perseverance. The magnitude of this statement resonates well with the biblical account of David and Goliath, where the little shepherd boy defeated the mighty warrior with a slingshot. In the business world, the concept has often been cited to explain the competition between large organizations and startups, where the latter, through innovation and perseverance, have struck a chord with the consumers and weighed down their opponents.

That's the story of Health e(fx)—the leading technology platform for the Affordable Care Act (ACA) compliance and reporting solution in the country. This "David" has squared off against a range of "Goliaths", and ultimately came out on top. By staying on the leading edge of complex health reform regulatory compliance, Health e(fx) helps employers catch compliance risks early to avoid millions of dollars in IRS penalties, deliver state individual mandate reporting, and uncover unique workforce insights. Specialized in making health reform easier for the largest

Michael Showalter

organizations with unique complex data and workforces, Health e(fx) today empowers strategic partners and some of the nation's largest employers with its customized software solutions, to succeed in health reform.

THE GENESIS

However, this rapid growth in technology took more than just technology. Before unveiling Health e(fx)'s path-breaking solution, it is necessary to travel back to 2011 when the company set the sail as a small startup. With the dawn of the Affordable Care Act, employers had to provide affordable health care benefit coverage to full-time workers. In doing so, employers needed data from multiple data sets—from their benefits providers, HRIS systems, payroll providers, leave of absence providers, to COBRA providers. The challenge boiled down to consolidating disconnected data—from these different providers that followed different data standards and reported in different timeframes—into one data set, rationalize and make it time-aware so that employers can understand their compliance at any point throughout the year. Moreover, the fact that each employer has a unique workforce, they needed a solution that was flexible to address specific challenges and customer data needs. Third and most importantly, they sought an easy-to-use solution that can help remove the burden on Human Resources teams challenged to keep up with the requirements of ever-changing health care reforms. Suffice to say, Health e(fx) was equipped to help enterprises navigate these pain points. "Our customers are trying to run a business and do some good for the world. Their HR groups are constantly being asked to do more with less. Their focus is not on staying on top of health care reform and legislative updates. We are doing that for them," says Michael Showalter, CEO, Health e(fx).

The essential 'slingshot' to achieve the triumphant success included four important elements. To begin with, the founders of Health e(fx) took an outside-in approach to understand customers' needs and delivering an innovative idea to solve their problems pertaining to complex workflows, data deluge, disparate and disconnected data, and compliance with IRS regulatory standards. Secondly, they took discipline to transform these ideas into a product solution powered by a technology platform in the backend. Next was the continuous investment in the customers' problems, alleviating the administrative burden and allowing organizations to focus on their business. Lastly, the founders were inclined toward the total ethical architecture of the platform, making it cloud-native.

The results vindicate the vision.

DRIVE THROUGH COMPLEXITY SEAMLESSLY

As the largest healthcare reform solution today, Health e(fx) supports over 22 million individuals in the US and 75 of the Fortune 500 companies. It integrates required data from multiple systems within the employer HR environment, providing ongoing data integrity validation, cost analytics, and automated compliance status, reporting, and audit capabilities that employers and their stakeholders need to meet regulations—even as the laws change. Health e(fx) is focused on customer intimacy and gaining a deep understanding of the customer's unique business and workforce to deliver a solution that simplifies a very complex regulatory problem. As an industry advisor, Health e(fx) is informed at the earliest stages of proposed health reform changes, development,

> **Our customer-driven cloud solutions are designed to protect the nation's largest and most complex employers from the risks of changing healthcare reform regulations**

and modifications that impact employers and partners. As a result, customers can now catch their compliance risk ahead of time and eliminate hefty penalties. The Minneapolis-based company leads the market with solutions that go beyond health reform reporting and compliance, with robust data analytics capabilities.

"We were the first in the market for the federal reporting back in 2014. And, also the first in the market on state reporting in 2019 with a solution that supports employer reporting for states with individual mandate requirements," informs Showalter. "Added to that, we have unique data sets that are verified to an IRS standard. As a result, our combined data sets provide unique insights into the employers' workforce to help them make better proactive operational decisions that save money and minimize risk. This allows our customers to focus on what really matters to their success."

At the core, Health e(fx) ensures that the software platform is easy to implement. With a data language that individuals can understand, the platform ingests employers' data, maps and transforms it to make it functional. It is important to note that unlike other vendors, Health e(fx) provides that employers with utmost flexibility and makes their data work for the HRIS solution,

and not the other way around. The software solution deployed on the HR desktop allows users to view everything from their data, compliance status, reports, flags and alerts, and potential penalty risks from IRS to benefits offered within their workforce, coverage eligibility, and more. The Health e(fx) platform is designed to manage compliance and reporting in industries that hire a significant number of part-time, variable hour, and seasonal workers—or have other specialized circumstances such as unions and self-administered benefits plans.

LEADING THROUGH CHANGE

Riding on a wave of rapid success, Health e(fx) not only focuses on attracting new clients but also strengthening their connection with existing customers. Back in the day, a client severed ties with Health e(fx) to deploy a "free" all-in-one solution that had an ACA solution tied to it. Later, the client realized that the new package only had a partial solution for state regulations. Because the "out-of-the-box" solution did not provide transparency into the data, they were also unaware of their risk on a monthly basis. The client approached Health e(fx) a year later and continued their journey with the company. The fact that one of Health e(fx)'s earliest clients is still an active client speaks volumes about the company's determination to build long-lasting relationships.

With a vision to making a difference in the communities, Health e(fx) measures its success not by what it earns but by giving back. Fostering a sense of community, the company encourages its employees to share their passions, skills, and expertise to make meaningful contributions in their communities. The Health e(fx) We Care Committee is comprised of employees responsible for creating a targeted annual giving plan to support targeted causes in their areas. "We play a small but important part of making our communities and our customers better. This continues to be our focus as we move ahead, continuously investing in our solutions and solving the complexities faced by our customers." Showalter thinks that they are on the right side of the complexity curve and feels great about the prospects of Health e(fx) going forward. CR