

Outcomes-based Unemployment Program Generated Savings That Made a Difference

Background

A leading long-term care organization in business for almost 50-years with operations across multiple states was looking to find savings to redeploy to its continuum of care services.

Hypothesis

The HR Director thought savings are possible by controlling unemployment costs and reducing unemployment tax rates.

Method

A search ensued for an outsource vendor that was results-oriented. UC Alternative, Inc. (UCA) was contacted and submitted a projection of unemployment tax rates that showed significant savings. UCA was hired to deliver the projected goals.

Results

The table below shows that, over a 5-year period, UCA reduced unemployment costs from \$1.8 million to \$250,000 after the fifth year of the partnership. Correspondingly, the tax rate was also lowered from 1.8% to .4%. First year increases were the result of carryover from claims lost prior to the start of the program.

Baseline	Year 1	Year 2	Year 3	Year 4	Year 5
\$1,800,000	\$1,900,000	\$1,550,000	\$1,025,000	\$380,000	\$250,000

Discussion

The cost associated with unemployment is often considered a cost of doing business. And, the claims process is notoriously burdensome to manage. While there is some benefit to offloading the administrative load of unemployment, there is likely significant opportunities to save by reducing the actual costs associated with unemployment. Focusing on outcomes, such as unemployment tax rates, rather than just the process, can generate meaningful savings to redeploy to key areas in the organization. In this case, the savings extended the care of this long-term care organization to patients in need.

About Us

UC Alternative, Inc. (UCA) is an outsourcing provider that specializes in reducing UI costs for clients.

We employ experts in tax and current law to deliver outcomes over a multiple year time horizon for clients.

Our UI program typically generates cost savings of up to 40% or more and reduces tax rates by upwards of 75%.

We work diligently on our client's behalf to not only save the time but also deliver cost saving outcomes.

Contact

Please visit www.ucalternative.com or call John Doran at (301)355-6249.

