

PAPER 02 / 08
Governance Framework Series

GOVCON + WORKFORCE EMPLOYERS
Fiduciary Authority | Funds Flow | Documentation |
Operating Cadence

The TrustFirst™ Fiduciary Governance Framework

How Archer Jordan Health turns employer health plans into governed financial systems through delegated fiduciary authority, trust-controlled funds flow, vendor discipline, software-supported records, and year-round operating cadence.

IN THIS PAPER

Paper 01 proved TrustFirst™ Architecture through measurable employer outcomes. Paper 02 explains the operating framework behind those outcomes: delegated authority, funds-flow discipline, vendor governance, fiduciary documentation, TrustFirst™ software, and the year-round cadence that keeps the plan governed after implementation.

RELEVANT FOR

Government contractors · SCA employers · prevailing wage employers · hourly workforce companies · multi-state employers · CFOs · CEOs · HR leaders · owners · boards

Authority who governs	Funds Flow where money moves	Evidence what proves it	Cadence how it holds
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Governance is not a relationship. It is architecture: authority written down, money controlled, decisions preserved, and vendors forced to operate inside the system.

EXECUTIVE SUMMARY

Paper 01 proved the outcomes. Paper 02 explains the system that makes them repeatable.

The case studies in Paper 01 showed measurable results: a federal services contractor reduced total labor cost while passing a Department of Labor audit with zero findings; a multi-state field services employer reduced effective labor cost while maintaining wage compliance; and a large hourly workforce employer removed millions of dollars of annual labor cost without increasing administrative or compliance risk.

Those outcomes were not produced by ordinary brokerage. They came from a governance architecture that connects plan design, fiduciary authority, vendor oversight, trust-controlled funds flow, pharmacy economics, claims visibility, compliance documentation, and ongoing review into one operating system.

Paper 02 explains that system. The central idea is simple: a health plan is not governed because it has vendors, reports, claims activity, and a renewal meeting. It is governed when authority is explicit, money movement is controlled, decisions are documented, vendors are supervised, and the record is preserved before pressure arrives.

OPERATING PREMISE

Administration is not governance.

Most health plans are administered. Carriers provide coverage, TPAs process claims, PBMs manage pharmacy mechanics, brokers negotiate renewals, payroll handles deductions, and HR answers employee questions. Each function may be necessary. None of those functions, by itself, creates fiduciary health plan governance.

This is where many regulated workforce employers lose visibility. A plan can keep functioning while the governance layer remains unclear. Vendors can perform tasks while no one can explain who had authority, why the plan was designed a certain way, how vendors were paid, how plan sponsor money moved, or where the decision record lives.

TrustFirst™ begins by separating activity from authority. Activity asks whether something got done. Authority asks who had the right and responsibility to decide it. Governance requires both: the operating work must happen, and the authority behind that work must be written, bounded, monitored, and preserved.

THE FRAMEWORK

The six governance layers.

TrustFirst™ organizes employer health plan governance into six connected layers. The framework is designed for government contractors, Service Contract Act employers, prevailing wage contractors, Davis-Bacon contractors, multi-state employers, and large hourly workforces that need more than annual renewal management.

Governance layer	Operating question	TrustFirst requirement
Authority	Who has discretion?	Assign and document fiduciary authority, delegation scope, decision rights, and retained sponsor responsibilities.
Plan Design	What structure is being governed?	Align eligibility, contributions, funding, vendor roles, plan documents, and workforce realities.
Funds Flow	How does plan sponsor money move?	Control plan assets through documented authority, including trust-controlled funds flow in self-funded structures.
Vendor Oversight	Who is paid, for what, and under what authority?	Review compensation, conflicts, PBM economics, service levels, and fee reasonableness.
Fiduciary Evidence	Where does the proof live?	Preserve documents, approvals, assumptions, exceptions, funding records, and decision rationale inside the fiduciary file.
Operating Cadence	How does the system stay governed?	Run monthly, quarterly, annual, and event-driven reviews before renewal, audit, or diligence pressure arrives.

DELEGATED FIDUCIARY AUTHORITY

TrustFirst™ requires authority to be explicit.

The first governance layer is authority. Archer Jordan Health does not merely stand beside the plan and offer commentary. Where authorized and documented by the plan sponsor, Archer Jordan Health assumes delegated fiduciary governance responsibilities for defined parts of the health plan structure: plan design, vendor management, plan economics, documentation, and day-to-day governance.

This does not mean the plan sponsor disappears. The sponsor remains the sponsor, and corporate authority is preserved. But delegation can move substantial operational fiduciary burden out of informal vendor relationships and into a documented governance framework. The point is clarity: who governs, what has been delegated, what remains with the sponsor, and how oversight is performed.

This is why TrustFirst™ insists on written delegation, documented scope, defined decision rights, vendor authority maps, plan document alignment, and a fiduciary file that records the decisions while they are made. If authority is not written down, the plan may still operate, but it is not operating at the TrustFirst standard.

FUNDS FLOW DISCIPLINE

In self-funded plans, the trust is the control point.

The second major differentiator is funds flow. In self-funded TrustFirst™ structures, plan sponsor money does not disappear into vendor-controlled economics. Plan dollars flow through a bank trust structure and move only according to documented authority.

The trust documents, administrative services agreement, plan documents, summary plan description, vendor agreements, and approved fee schedules define how money moves. Claims funding, administrative fees, PBM arrangements, stop-loss payments, rebates, credits, recoveries, and vendor compensation must be tied back to those governing documents.

That is a sharp departure from the legacy model, where the sponsor may wire money into a vendor ecosystem and then try to reconstruct the economics later. Under TrustFirst™, plan sponsor money is plan sponsor money. Vendors do not decide what they extract from the plan. Every dollar follows documented authority.

VENDOR GOVERNANCE

Vendor value must be supervised, not assumed.

TrustFirst™ does not begin with the assumption that vendors are bad. Many vendors are necessary and valuable. The issue is that vendors are not the governance layer. A carrier, TPA, PBM, broker, consultant, stop-loss carrier, network partner, or administrative provider can perform a function without governing the plan.

Vendor oversight inside TrustFirst™ has two dimensions. First, the paper record must show what the vendor does, what the vendor is paid, what compensation is direct or indirect, what conflicts may exist, and how performance is measured. Second, the operating record must show whether the vendor actually performed inside the architecture.

For PBMs and pharmacy benefit management, this discipline is especially important. TrustFirst™ governance does not accept opaque pharmacy economics as a condition of participation. Pharmacy costs, rebates, credits, spread, specialty drug strategy, and plan-generated value must be reviewable, documented, and governed.

TRUSTFIRST SOFTWARE

The software preserves the evidence, but the architecture governs the plan.

TrustFirst™ is both software-supported and architecture-driven. The software matters because a governed plan needs a durable institutional record. It should not depend on broker memory, vendor emails, scattered spreadsheets, or the one person inside HR or finance who remembers why a decision was made.

TrustFirst™ software creates institutional memory. It preserves plan documents, trust documents, administrative services agreements, vendor agreements, compensation disclosures, fee schedules, approvals, funding records, claims funding records, vendor payments, PBM credits and rebates where applicable, stop-loss documentation, governance minutes, exceptions, corrections, and decision rationale.

But the software is not the whole product. Software alone can store information without governing anything. TrustFirst™ is the architecture that decides what must be controlled, who has authority, what documents govern the action, what record must be created, and how the system is reviewed throughout the year.

ENGAGEMENT MODEL

How the framework becomes operational.

TrustFirst™ engagements move through a sequence. The first stage is evaluation: workforce structure, contract environment, wage and fringe obligations, current plan design, funding method, vendor arrangements, PBM economics, claims visibility, eligibility rules, contribution strategy, compliance documentation, and funds-flow pathways.

The second stage is design. Archer Jordan Health builds the plan architecture: the governing model, plan design, vendor roles, trust arrangement where applicable, administrative services structure, stop-loss strategy, documentation standards, software recordkeeping framework, and operating cadence.

The third stage is onboarding. In a self-funded plan, this includes aligning the trust arrangement, administrative services agreement, plan documents, vendor agreements, payment authority, reporting pathways, funding records, and governance calendar. The fourth stage is operation: Archer Jordan Health monitors the system through defined review points so the plan remains visible while it is running.

TrustFirst™ is not an annual renewal event.

A fiduciary governance framework only works if it repeats. TrustFirst™ institutionalizes the plan through a recurring cadence: monthly operating review, quarterly fiduciary governance review, annual strategic renewal, and event-driven review when the plan faces audit, DOL or DCAA inquiry, contract transition, acquisition, vendor change, stop-loss shock, major claim activity, or workforce restructuring.

Monthly review keeps claims trend, pharmacy trend, funding status, trust activity, eligibility issues, payroll exceptions, and vendor service issues visible. Quarterly governance meetings create the formal record: vendor performance, fee reasonableness, PBM economics, stop-loss exposure, compliance documentation, plan performance, and open decisions.

Annual review should not be the first time the employer understands the plan. It should be the moment the record is summarized: benchmarking, contribution strategy, stop-loss review, PBM review, plan document review, SPD and employee communication review, renewal strategy, and fiduciary file certification.

INSTITUTIONAL CONTROL

TrustFirst™ brings institutional discipline to workforce employers.

Large institutional plan sponsors expect benchmarking, claims visibility, PBM scrutiny, stop-loss strategy, vendor oversight, funding discipline, and fiduciary documentation. Many regulated and workforce-intensive employers face similar exposure but are still served through broker-managed renewals and fragmented vendor reports.

Archer Jordan Health brings institutional-style health plan governance to employers that have outgrown that model. The goal is not to add complexity. The goal is control: clear authority, transparent vendor economics, documented funds flow, visible claims and pharmacy data, and a system that can be understood before pressure arrives.

THE STANDARD

A governed plan should survive without explanation.

A mature TrustFirst™ plan does not depend on heroic HR effort, broker memory, or vendor assurances. It can show who had authority, what was decided, how the plan was designed, where the money moved, what vendors were paid, how performance was reviewed, and why the structure was reasonable at the time.

That is why TrustFirst™ is an architecture rather than a service description. It connects fiduciary authority, funds flow, vendor oversight, health plan data, compliance documentation, and operating cadence into one record. The pieces already exist in most organizations. TrustFirst™ makes them governable.

By the end of the Evidence Library series, the reader should arrive back at the beginning with a clearer understanding of the same idea: the plan is not trusted because people say it is handled. It is trusted because the system can prove it.

TRUSTFIRST GOVERNANCE TEST

The questions every plan should answer.

- Can leadership identify who holds fiduciary authority and what authority has been delegated?
- Can finance trace plan sponsor money into the plan, through the trust where applicable, and out to claims and approved vendor payments?
- Can the sponsor prove that vendor compensation was disclosed, agreed upon, reasonable, and paid only through the approved structure?
- Can HR, payroll, finance, vendors, and leadership explain the plan from the same record?
- Can the system produce documents, approvals, funding records, disbursement records, exceptions, corrections, and governance minutes without reconstruction?

If the answer is yes, the plan is not merely administered. It is governed. That is the TrustFirst™ standard.