

#### Dependent Eligibility Audit Guide

10 Reasons Why Leading Employers Verify Dependents to Reduce Cost and Eliminate Risk

Wednesday, November 29, 2017 at 2:00 pm ET (11:00 am PT)

## Today's Speakers



Emma Fromholz

Benefits and Compensation

Manager

Bethany Christian Services



Bradley Taylor

Executive Vice President,

Business Development

PlanSource



#### About Bethany Christian Services

Bringing & Keeping Families Together



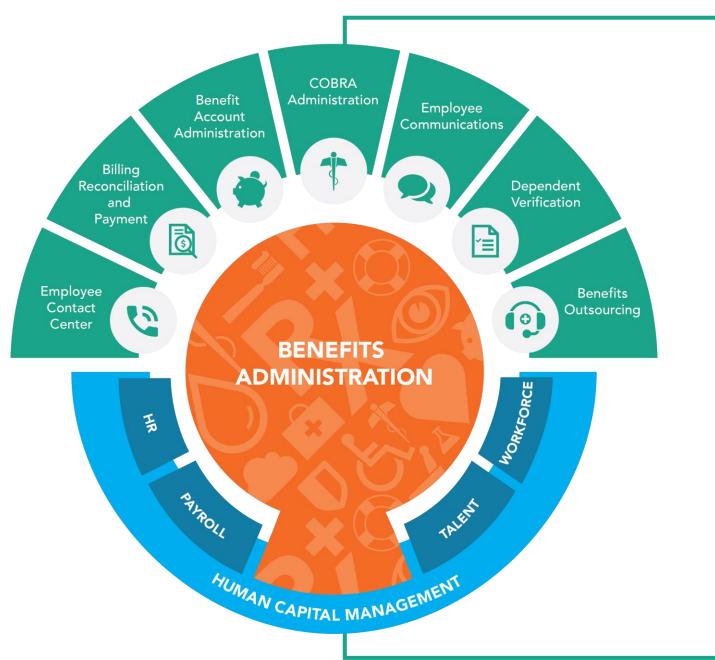


Bethany has a heart for children and we equip families to be the answer for children in need.





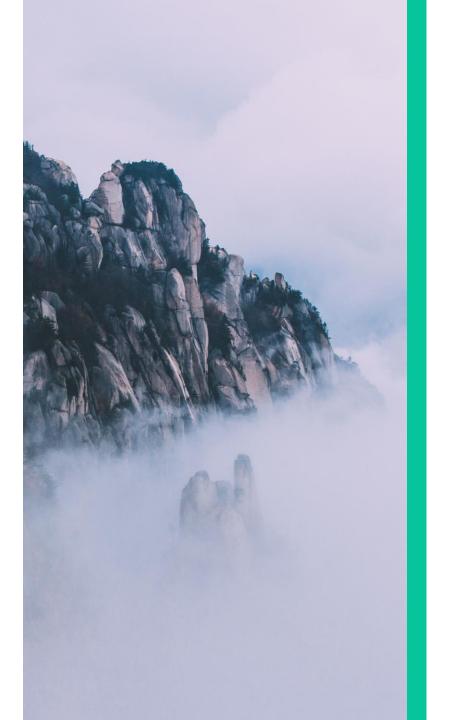
PlanSource provides flexible and intuitive benefits administration software and services to nearly 10,000 employers and 3.5 million consumers.



## Software + Services = Best Benefits Experience

PlanSource offers a full suite of professional services that ensures that you get the most out of your benefits technology investment.

### Agenda



What is a Dependent Eligibility Audit?

Top 10 Reasons to Conduct an Audit

Q&A



#### What is a Dependent Eligibility Audit?

A one-time or ongoing audit that verifies the relationship and eligibility status of all dependents enrolled on a medical plan. The audit could also incorporate other benefit plans such as dental and/or vision insurance.

Top 10 Reasons to Conduct an Audit





## Quick to Set Up



#### Dependent Eligibility Audit Process

Weeks 1-2

Planning

**Weeks 3-10** 

Audits

Weeks 11-12

Appeals

#### Dependent Eligibility Audit Process

Planning

Audits

Appeals



#### **Employee** Outreach

PlanSource reaches out to employees via email, phone, email and could even use text messaging



#### **Documentation Submission**

Employees submit documentation to validate dependent relationships



#### **Coverage Cancellations**

PlanSource reaches out to employees via email or mail





## Easy to Conduct



#### Ways to Conduct an Audit

Full audit - captures documentation on all dependents

Affidavit-style audit - requires just a signature from employees

Targeted audit - only audits a specific groups of employees

Mixed audit - full documentation needed for some employees, affidavit needed for others



# Full Audits Yields the Best Results! It's consistent among employees & requires employees to actively read the communications





## Easy to Outsource



#### Outsourcing Takes the Pressure off HR

Let someone else handle the communications and follow up

Ensures objectivity

Eases communication to employees

Reduces risk of objections from unions and other groups



#### Makes HR a Hero

From cost center to strategic partner



#### Keys to Positioning an Audit Internally

Be prepared for overcoming the objections

Consider amnesty for removed dependents

Involve all levels of management, union reps, etc.

Develop a detailed timeline and process – the best time to conduct an audit is outside open enrollment

Communicate, Communicate!



#### Communication is Key!

Use multiple communications channels: email, snail mail, posters, video, carrier pigeons, etc.

Include calls-to-action and deadlines in all comms

Keep emails short and sweet and make them scannable

Use attention-getting subject lines





## Furthers Compliance

with ERISA and other laws



Its considered an *ERISA violation* if a self-funded medical plan uses employee contributions to fund the claim payments of ineligible dependents

Sarbanes Oxley requires stringent fiduciary oversight of publically-traded companies, including the administration of benefits spending



## Reduce Stop-loss Exposure

for self-funded plans



#### When Do Dependents Lose Coverage?



#### **Typically**

Date employee self-reports an ineligible dependent

End date of the audit for individuals that were never

documented

Note: Consider how to handle COBRA





## Generates Sizable Savings

No more Ex's in the ER!



6.2%

of audited dependents are typically found as ineligible



#### Average Savings from Dependent Eligibility Audits

Company Type	Employees Audited	Dependent Count	% Found Ineligible	Projected 1 <sup>st</sup> Year Savings
Hospital	1,602	3,617	7.2%	\$813,000
College	1,202	2,295	10.1%	\$722,000
Energy Supplier	146	325	5.2%	\$27,000
Hospital	251	523	11.4%	\$216,000
Fabricator	935	2,180	15.3%	\$1,016,000



# 03

## Allows Employers to Verify Surcharges



Many organizations apply surcharges for spouses who can receive coverage elsewhere, but have no way of checking





## Easy to Integrate

With ongoing benefits programs



#### Ongoing Strategies Post Initial Audit

Determine when dependents can re-enroll

Plan how you will keep up with ongoing auditing

Use outsourcing partner to manage ongoing auditing throughout the year

Do a full audit every 3-5 years



## Funds Other Strategic Initiatives



#### Just a Few of the Ways to Apply Savings

Maintain medical plan contributions

Fund an FMLA administration service

Purchase more support for your benefits administration

Add executive benefits

Create a year-round employee communication strategy

Investigate employee engagement software platforms



#### Special Dependent Verification Offer

15% Discount

Sign by January 1, 2018 | Start your audit by March 1, 2017



## Q&A

Get in touch with us

www.plansource.com/getintouch

877-735-0468







#### Dependent Eligibility Audit Guide

10 Reasons Why Leading Employers Verify Dependents to Reduce Cost and Eliminate Risk

Wednesday, October 29, 2017 at 2:00 pm ET (11:00 am PT)