



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



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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.

The background of the slide is a dark grey field filled with various light grey business-related icons, including a calculator, a piggy bank, a keyboard, a stethoscope, a medical cross, a hammer, a gear, and a paw print. A large, semi-transparent grey circle is centered on the slide, serving as a backdrop for the text. An orange rectangular border is positioned around the central circle, with its corners clipped by the circle's edge.

Better Technology for a Better Benefits and HR Experience

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



10

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

09

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*

08

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

07

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, 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

06

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

05

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

04

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 st 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

02

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

01

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





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