

Healthcare Case Study

Dependent Eligibility Verification Audit

In March 2009, Secova initiated the process of verifying all dependents of employees enrolled for not-for-profit integrated regional health care delivery system located in San Diego. A total of about 5,000 family members enrolled in the health plans were subject to verification. The main audit, beginning in May 2010, a total of 461 dependents were found to be ineligible for benefits coverage subject to verification across all 9 ongoing groups.

During the course of verification audit, 90.77% of the dependent population was confirmed eligible for coverage and 9.23% were deemed ineligible, resulting in estimated cost savings of \$ 1,705,705 and a return on investment of 23:1.

The following are the estimated cost reduction across all 9 ongoing groups:

Estimated Total Cost Savings			
Dependent Type	Enrolled Dependents	Non-verified Dependents	Total Savings
Spouse	1,429	129	\$740,202
Domestic Partners	43	5	\$73,785
Child	3,518	326	\$881,830
Disabled Child	4	1	\$9,888

Secova and the client's project team collaborated to develop concise and customized employee correspondence that communicated the importance of responding to the verification requirements, using simple instructions and a "shared value" message to all employees.

The verification audit period ranged from May 17, 2010 through January 20, 2012. During this period, Secova provided the client with regularly scheduled reports, ad hoc reports, and weekly status reports including dashboards, project updates, and open issues:

Facts at Glance

Outcome

- 23:1 ROI
- \$1,705,705 million savings

Secova Product(s)

- Comprehensive DEVA Audit
- DEM Online Portal

Project Scope

- Amnesty Phase
- Customized Communications
- 24x7 Call Center
- Appeals Phase

Project Period

- Start: May 17, 2010
- End: January 20, 2012

Customer Profile

- Not-for-profit integrated regional health care delivery system located in San Diego
- \$3 billion in annual revenue
- Nearly 5,000

- Weekly Voluntary Drop reports, Dependent Reinstatement reports, and Incomplete and Non-Responder reports
- Daily employee complete and incomplete status reports
- Weekly agendas with status updates

CONCLUSIONS AND RECOMMENDATIONS

- Volatility in health plan enrollments, due to work cycles and economic conditions, resulted in a large number of ineligible dependents
- Regular reminders of eligibility rules and conditions will help minimize risk of financial exposure to the plan
- Ongoing-dependent eligibility management ensures all new dependent enrollments meet eligibility guidelines
- Comprehensive periodic recertification of formerly verified dependents is recommended

ABOUT SECOVA

Secova is an acronym for “**S**ervice is Our **C**ore **V**alue”. Headquartered in Newport Beach, CA with additional offices in Wall, New Jersey and Chennai, India Secova provides customized solutions for the administration of employee benefits and human resources. Enrollment technology, 24/7 call center, eligibility management, and billing management are a few of the services offered by Secova. Since its inception, Secova has worked with Fortune 500 companies, mid-size corporations, multi-employers, and state/local governments.

Secova’s solution whether dealing with large clients or otherwise centers around its unique ability to bring together the objective and subjective elements of High Tech + High Touch to provide the perfect fit for the client both, as an employer and an employee. We accomplish this by focusing on our operating philosophy of “Engage, Empower, and Ensure” and by leveraging our 3Ps: People, Process, and Platform.

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