

Healthcare Case Study

Dependent Eligibility Verification Audit

In today's economic climate, it is employers' responsibility to look at every possible angle for savings in their budgets for employee benefits. A Dependent Eligibility Verification Audit (DEVA) from Secova guarantees that the dependents on your self-funded health benefits plan meet the plan's eligibility requirements. Secova identifies individuals who are not eligible for coverage, and you realize savings as they are removed from the plan.

Performing DEVAs, either through a periodic comprehensive audit or an ongoing solution, ensures that every benefit dollar is spent prudently. Doing so also ensures compliance with fiduciary obligations.

Secova recently completed such a comprehensive Dependent Eligibility Verification Audit (DEVA) for a healthcare provider in the Midwestern United States. The project identified 66.96% of the population was confirmed eligible for coverage and 8.37% was total non-verified population. Additionally, this client subsequently chose to employ Secova's ongoing Dependent Eligibility Management services.

The Secova solution, whether dealing with large clients or otherwise, centers around its unique ability to bring together the objective and subjective elements of "high tech" and "high touch" to provide the perfect fit for the client both as an employer and an employee. This begins with a thorough evaluation of the client's benefits environment, culture, and communication protocols. Secova and the client create an implementation strategy with the results of this study in mind. During implementation, it was determined that this project would include three phases: Amnesty, Verification, and Appeals.

Secova created a detailed and customized communications plan for the employees to understand what the dependent verification is and why it is being done. These pieces were based on the assessment of the client's work environment, branding objectives, and eligibility guidelines. Each Secova communication piece aims for maximum participation.

Facts at Glance

Outcome

- 6:1 ROI

Secova Product(s)

- Comprehensive DEVA
- DEM Online Portal

Project Scope

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

Project Period

- Start: January 2010
- Remains a client of Secova

Customer Profile

- Healthcare provider located in St. Louis, Missouri
- \$3.5 billion in annual revenue
- Nearly 10,657 Dependents enrolled

As part of our high-touch approach, Secova placed outbound calls to those employees who had partially completed their verification. Our dedicated 24x7 call center team supplemented employees' 24x7 online access to their benefit information, for increased convenience and visibility of employers' valuable contributions. This solution empowered employees to manage their elections and verify their accuracy online, from any computer, and assisted employees with eligibility and enrollment questions.

The project aimed to reduce benefit costs and ensure fiduciary compliance. The client also hoped to educate their participant population on the shared responsibility so the organization could maintain quality benefits at affordable rates. The client, by utilizing Secova's DEVA services, was relieved of the administrative burden while still meeting their project objectives.

The verification produced substantial cost reductions resulting from the agreed upon project strategy. The client has substantial savings from dependents removed from benefits coverage. The project resulted in a project ROI of 6:1.

CONCLUSIONS AND RECOMMENDATIONS

- At the conclusion of the audit, an additional 892 (8.37%) dependents were removed
- The savings is sustainable year after year
- 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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