

## Healthcare Industry Case Study

### Dependent Eligibility Verification Audit

Secova recently completed a Dependent Eligibility Verification Audit (DEVA) for a large hospital system in the Mid-West. The client achieved a ROI of 14:1, resulting in a cost reduction of approximately \$3 million in the first year. The project identified 5.09% of previously enrolled dependents that were ineligible.

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 created an implementation strategy with the results of this study in mind. This project included three phases: Amnesty, Verification, and Appeals.

Secova created customized communications, where needed, for all three phases. These pieces are based on the assessment of the client's work environment, branding objectives, and eligibility guidelines. Each communication piece aims for maximum participation.

As part of our high-touch approach, Secova placed outbound calls to those employees (over 17,000 during this project) who had partially completed their verification. Our dedicated 24x7 call center and self-service online portal assured members had the assistance they needed: anytime, anywhere.

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 realized a savings of up to \$3,400/year for every spouse or partner and \$1,200/year for every child dependent removed from benefits coverage. The project resulted in a total savings of approximately \$3 million dollars for the client in the first year, with a project ROI of 14:1.

Over the past decade, employers have faced the annual dilemma of balancing increased premiums costs while still providing quality healthcare benefits. In light of the current economic volatility and recent healthcare regulation changes, this challenge can often seem overwhelming. Performing DEVAs, either through a periodic comprehensive audit or an ongoing solution, ensures every benefit dollar is spent prudently. Doing so also ensures compliance with fiduciary obligations.

#### Facts at Glance

##### Outcome

- **14: 1** ROI
- **\$3 million** first year 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 31, 2011
- End: October 11, 2011

#### Customer Profile

- Hospital System located in **Mid-West**
- **\$4.3 billion** in annual revenue
- **Near 15,000** Employees
- **Over 30,000** Dependents

## 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 “Service is Our Core Value”. 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.

[www.secova.com](http://www.secova.com) | 1.800.257.0011, ext 4638 | [presales@secova.com](mailto:presales@secova.com)