

Dependent Eligibility Audit

An increasing number of U.S. employers are conducting dependent eligibility audits to save money in a sour economy.

*– The Wall Street Journal**

In these uncertain economic times, every dollar counts. So why is your self-funded health plan paying for the care of dependents who are not eligible for benefits? Let us perform a Dependent Eligibility Audit, and you **could cut 10 percent or more** from your benefit plan costs.

Reducing Your Healthcare Spend With A Dependent Eligibility Audit

In today's uncertain economy, it's more important than ever to find new ways to reduce your healthcare spend. A Dependent Eligibility ensures that the dependents on your self-funded health plan meet the plan's eligibility requirements. We identify individuals who are not eligible for coverage, and you realize savings as they are removed from the plan.

A dependent audit typically removes between 5 and 12 percent of the dependents from your health plan. With annual healthcare costs ranging from an average of \$3,000 to \$5,000 per dependent, you'll save real dollars right away. Savings can be even greater if the plan is paying substantial medical claims for an ineligible dependent. All of those savings go right to your bottom line.

Who Is Ineligible?

While each company determines who is eligible for coverage under its health plan, mistakes happen with regularity. Eligibility rules can be confusing, particularly when it comes to children. Knowingly or not, some employees name individuals who are not eligible for coverage as dependents on your health plan. Even employers who consider themselves diligent record keepers can find errors in their documentation in this arena.

“We're so confident that our audit will save your plan significant dollars, we guarantee a return on investment.”

- Ex-spouses with court-ordered health coverage
- Common-law spouses
- Step-children, foster children or married children
- Students not enrolled in an accredited educational institution
- Full-time students older than the maximum age allowed in health plan eligibility requirements
- Friends or other relatives
- Domestic partners (when they are not covered by a health plan)

In addition, health plans often mistakenly pay primary coverage for spouses covered by other plans.

How Does a Dependent Eligibility Audit Work?

- Create a detailed and customized communication plan so employees understand what a dependent audit is and why it is being done
- Educate employees about eligibility requirements
- Review required documentation
- Identify ineligible dependents
- Outline an appeals process
- Provide detailed reporting and analysis of an employer's employee and dependent population
- Build an accurate centralized database of eligible participants
- Recommend ways to improve eligibility verification and administration process

Case Studies

Client #1: A Major Hospital in Michigan

When a prestigious hospital in Michigan was looking for new strategies to control its rising healthcare costs, The recommendation was a Dependent Eligibility Audit. More than 5,000 individuals listed as dependents were found ineligible for coverage under the hospital's health plan.

The Results

Employees	Dependents	Ineligible Dependents	% Ineligible	First-year ROI
26,474	62,014	5,611	9.0% 1	4:1

"This is a note to let you know how smoothly our recent dependent audit went The communication was very clear, well thought out, and timely Thank you for all you do for us!"
– C. M., Manager of Human Resources

Client #2: An Automotive Supplier

As an automotive supplier transitioned from offering a fully insured plan to self-funding its employee healthcare benefits, it wanted to ensure that only eligible dependents were being covered. A Dependent Eligibility Audit was performed, and 490 ineligible dependents were identified and removed from the health plan.

The Results

Employees	Dependents	Ineligible Dependents	% Ineligible	First-year ROI
1,462	2,934	490	16.7%	9:1

"The Dependent Eligibility Audit was a great success. They were able to remove several dependents from our plan that resulted in real savings. This dependent audit product makes all the sense in the world."
– J. L., Manager of Benefits