

Cape Cod Municipal Health Group HR Training

Dependent Verification Program Review

Project Basics

- What is a Dependent Eligibility Verification Program?
- Why is CCMHG conducting this project?
- Who is HMS?
- Who is paying the cost of the audit?

What is a Dependent Eligibility Verification Program?

A mainstream practice for companies/organizations/trusts of all sizes whereby all dependents enrolled on health plans must be validated as eligible for coverage based on plan guidelines through appropriate documentation.

Why is CCMHG conducting this project?

- The purpose of this project is to ensure that benefit dollars are being spent only on eligible participants.
- A prudent fiduciary and fiscal plan management tool.
- New Mass. legislation requires municipal employers to audit enrollments every two years

Who is HMS?

- HMS is an independent audit company that specializes in verifying health plan eligibility and has audited hundreds of thousands of dependents from some of the largest employers in the United States and MA municipal employers.

Who is paying the cost of the audit?

- The law requires each employer to audit; however, CCMHG is taking on this task on behalf of its 53 employers.

Project Phases

Introductory Phase: employers send Family plan enrollees a letter on employer letterhead (text will be provided to you) introducing HMS and the audit

Verification Phase: documentation phase where specific documentation will be required in order to validate covered dependents as eligible to remain on the plan.

Grace Period: is an "unpublished" period during which non-complete employees can continue to submit documentation.

Process – Verification

The Verification Phase requires those employees with dependents to provide proof of eligibility...

A series of 2 Verification letters will be mailed to employees with enrolled dependents.

Letter #1 – A customized letter that lists the employee's dependents on the plan, the rules for eligibility and the required documentation to be submitted by the employee.

Letter #2 - A second letter (for those who have not responded) will be sent as a reminder of the upcoming deadline. This letter will have the same format as the first letter and will be sent approximately half of the way through the verification period.

The Verification Phase is scheduled to take place from September 28 – November 14, 2012

Process - Verification

Documentation may include such items as copies of government-issued marriage certificates, birth certificates and copies of other documents that validate relationships.

Documentation may be uploaded directly to HMS via the website (www.AuditOS.com).

The Verification Phase is scheduled to take place from September 28 – November 14, 2012

Process - Verification

During the Verification Phase it's important to provide outbound communication...

- Confirmation Postcard - If the employee is in full compliance, a confirmation postcard will be sent.
- Custom Response Letter - For incomplete submissions, a customized response letter will be sent. This letter will highlight the areas of non-compliance and request that the employee provide additional information.
- Term Confirmation - For employees that elect to remove one or more dependents, a termination confirmation letter is sent.

**At the end of the audit, the HR department must send a termination form to GBS*

Process - Grace

A Final Notice Letter will be send to any employee who has not completed their file as of the Verification Deadline.

This letter informs them of their last chance to submit documents to verify their dependents before they are removed from coverage for non-compliance.

The Grace Period is schedule to take place from November 15 – December 5, 2012

What is the role of HR in this process?

- Be informed of what is happening and why.
- Do not provide forms or copies from personnel files. This is an independent audit and the employee is responsible for providing the required documents.
- Be a positive supporter!
- Be aware of the process and timeline so that you may respond to general employee inquiries.
- Be prepared to refer all specific questions regarding an employee's dependent(s) directly to HMS.

Don't attempt to answer an employee's specific question about their dependent's eligibility as this can create confusion for the employee. HMS will perform the audit in accordance with CCMHG healthcare plan guidelines to maintain consistency.

Don't offer any exceptions or extensions.

What can HR do to best support the process?

- Please encourage employees to carefully read the letters they receive from HMS as they contain important deadlines for the project.
- Please refer questions to HMS.
- Please provide guidance on the timeline and the best ways to provide the required documentation to HMS.
- Understand you will be faced with some hardship scenarios during the audit project.
- Be familiar with the audit process and the FAQs

Please refer all employees to HMS to discuss their specific situations.

HMS will point the employees to resources that can assist in obtaining the required documentation.

Timeline

- Mail initial Verification Letter – 9/28
- Mail Reminder Letter – Week of 10/29
- Verification Deadline – 11/14
- Mail Final Notice Letter – Week of 11/19
- Final Notice Deadline – 12/5
- The introductory letter from the Employers should be sent the second or third week of September.

Custom Employee Website Features

- Access to information 24/7
- Look up their status
- Review FAQs
- Review eligibility definition
- Review document requirements
- Determine where to source missing documents
- Ability to upload documentation directly to HMS

Thank you!