

Worksite Communications

# Reduce health care costs by conducting a Dependent Verification Audit



# What is a Dependent Verification Audit?

Employee benefits remain a major cost component in all member health care organizations. A growing number of employers are conducting audits to remove ineligible dependents from their health care plans. In an effort to contain escalating health care premium costs, many employers are conducting Dependent Verification Audits to assure they pay premiums and cover only those who are actually eligible for coverage.

## Reduce Health Care Costs

**The Dependent Verification Audit process reduces health costs by identifying eligibility discrepancies that commonly result in premium overpayments, including:**

- Employees no longer employed remaining on carrier files
- Retirees coded as active employees
- Dual spouse/domestic partner conflicts
- Ineligible dependents
- Unverified dependent relationship status
- Ex spouses/domestic partners
- "Girlfriends" or "Boyfriends" coded as spouses

**Worksite Communications was one of the first communication firms to conduct a Dependent Verification Audit with the City of Oakland in April of 2005.**

**A Dependent Verification Audit conducted by Worksite Communications typically removes between 5- 12 % of the dependents from health plans and averages an 11% reduction in healthcare premiums.**



# Why choose Worksite Communications?

Worksite Communications is the leading enrollment firm when conducting the Dependent Verification process during an employer's annual benefits open enrollments. To date, Worksite Communications has:

- Audited more than 60,000 employees enrolled in either medical, dental or vision plans.
- Evaluated the eligibility of over 50,000 dependents
- Identified thousands of ineligible dependents
- Saved clients millions of dollars in health care costs

## Our Services

Worksite Communications provides the following resources when conducting a Dependent Audit Verification:

- A customized implementation process in which the Implementation Director works with the client, broker and carriers in marketing, scheduling and data exchange to ensure a smooth audit process
- An online scheduling system so that employees may schedule a time to meet with a benefits counselor onsite during enrollment
- Assistance with drafting and distribution of communications
- A sample verification guideline table for acceptable documents in which the client can alter to their specifications.
- Provide a link to document recovery services that can provide employees who have lost documentation with birth certificates, marriage licenses and other required documents.
- Individualized personalized assistance for every employee
- Acknowledgment Form print out for each employee that displays the verified and non verified dependents
- Follow-up mailings to non-responsive employees that have dependents and to employees that have submitted incorrect documentation.

Worksite Communications has developed a secure software program that captures dependent information and then produces a report that is compatible with most payroll systems. The program is customized to meet the needs of each client.

| Current Employee |                |  |  |
|------------------|----------------|--|--|
| Name             | Smith, Claudia |  |  |
| EE Number        | 1039663        |  |  |
| Birth Date       | 09/04/1952     |  |  |
| Coverages        | Vision         |  |  |

| Dependent Information |  |  |  |
|-----------------------|--|--|--|
| First Name            | Ryan   |  |  |
| Last Name             | Smith  |  |  |
| Gender                | <input checked="" type="radio"/> Male <input type="radio"/> Female |  |  |
| Birth Date            | 12/08/1983   |  |  |
| Relationship          | Birth Child Unmarried 19 - 25                                      |  |  |

| Dependents For This Employee |     |            |          |              |
|------------------------------|-----|------------|----------|--------------|
| Name                         | Rel | Birth Date | Verified | Verified Via |
| Smith, Ryan                  | S   | 12/08/1983 | N        |              |
| Smith, Wayne                 | SP  | 01/24/1951 | N        |              |



**To ensure a complete eligibility verification of all enrolled dependents, Worksite Communications provides specifically trained professional benefit counselors to meet onsite with employees at each work location. The benefit counselors review each employee's verification documentation to ensure it meets the employer's standards.**

# Dependent Verification Audit Results

The two examples outlined below show actual results of employer dependent verification enrollments. Each of these employers elected to use the Dependent Verification System developed by Worksite Communications. In both cases the verification was conducted as part of the employer's annual benefits enrollment. The service was provided at no charge to the employer because all fees were paid by the voluntary benefit providers through their benefits brokers.

## CLIENT #1

### Major School District in Florida

|                                  |                    |
|----------------------------------|--------------------|
| Employee Count:                  | 21,000             |
| Employees with Dependents:       | 9,043              |
| Total Number of Dependents:      | 19,206             |
| Number Verified:                 | 16,517             |
| Number Unverified:               | 2,689              |
| Percent Unverified:              | 14%                |
| Number Reversed on Appeal:       | 385                |
| Number Removed:                  | 2,304              |
| Percent Removed:                 | 12%                |
| <b>Estimated Annual Savings:</b> | <b>\$1,382,400</b> |

## CLIENT #2

### Major Hospital in California

|                                  |                  |
|----------------------------------|------------------|
| Employee Count:                  | 2,200            |
| Employees with Dependents:       | 1,086            |
| Total Number of Dependents:      | 4,028            |
| Number Verified:                 | 2,656            |
| Number Unverified:               | 674              |
| Percent Unverified:              | 16%              |
| Number Reversed on Appeal:       | 4                |
| Number Removed:                  | 670              |
| Percent Removed:                 | 16%              |
| <b>Estimated Annual Savings:</b> | <b>\$804,000</b> |

Worksite Communications

**Contact Worksite Communications to find out how these services can be delivered at no cost.**

414-491-5939

Richard (RAE) Egleston  
Area President

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