



Oregon Educators Benefit Board

Dependent Eligibility Audit Educational Session

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TOWERS WATSON 

Today's agenda

Towers Watson project team

Why conduct an eligibility audit

Open enrollment efforts and project objectives

Audit process overview

Sample selection

Member response to the audit

Online system demonstration

Timeline

Key points to remember

Towers Watson project team

- **Greg Mansur** – Executive Project Sponsor and Strategic Advisor
- John Fazio – National Dependent Eligibility Audit Leader
- **Jason Carr** – Project Manager
- Lori Smith – Project Administration Leader - overall operations, fulfillment and document management
- **David Kjellberg** – Project Administration Lead - self-service portal, database and management and reporting
- Kathryn Peterson – Call Center services Leader

Dependent eligibility audits

- What is a dependent eligibility audit?
 - A structured process designed to preserve the integrity of an employer's benefit plan by identifying incorrectly enrolled dependents
- Why conduct a dependent eligibility audit?

Cost Containment & Risk Management	Due Diligence	Fairness
<ul style="list-style-type: none">• Results show a significant percentage of dependents may be ineligible which can reduce health care costs in the short term• Anywhere from 3% to 20% of dependents have been identified as ineligible based on Towers Watson results, which are consistent with industry experience	<ul style="list-style-type: none">• Plan sponsors have a heightened need for appropriate due diligence around all cost and risk areas of benefits• A recent Towers Watson survey of plan sponsors indicated 60% of companies were considering performing a dependent audit	<ul style="list-style-type: none">• With plan participants sharing in a greater percentage of health care costs, audits remove excess waste in plan experience and generate savings for plan sponsors and participants alike• Effective communications are key to ensuring plan participant cooperation with the project

Recent efforts and project objectives

- **Open enrollment activities and communications**

- OEBB established a dependent verification process for its members to verify their dependents' eligibility during open enrollment
- OEBB experienced an excellent response and compliance rate from its members

- **Objectives**

- Verify the eligibility of a sample of 4,000 members (Actives, Retirees and COBRA) covering dependents in OEBB's medical plans
- Reinforce key messages – members adhering to OEBB's policies regarding covering dependents as well as fiduciary responsibility and plan cost management
- Remove ineligible dependents enrolled in OEBB's sponsored plans
- Provide appropriate support (communications, self-service portal, call center) to sampled members to facilitate compliance

Audit process overview

- **The dependent eligibility audit process includes these components:**
 - Planning and project management
 - Communications
 - Fulfillment/distribution of all materials
 - Call center to handle member inquiries about the audit
 - On-line member service center
 - Reporting

Sample selection

- **Data and sampling process**

- Eligibility file is based on a point in time; snapshot date is December 1, 2011
- Members who are known to become ineligible between Dec 1, 2011 and March 31, 2012 were excluded from the data file
- Towers Watson will select a sample of 4,000 members to be audited
- During open enrollment, 1,282 members did not elect to verify their dependent(s) and will be automatically selected for the audit
- The balance of those being audited will be selected at random and tested to achieve appropriate representation across OEGB entities

- **Sampling Parameters**

- Sampling selection considerations based on:
 - Distribution of Actives, Retirees and COBRA members
 - Entity
 - Member type
 - Employee type

Member response to the audit

- Members will be required to submit documentation to verify each dependent's eligibility against OEGB's definition
 - Types of documentation to be requested will be communicated specifically to each sampled member and may include, but not be limited to, birth certificates, marriage certificates, tax returns, etc.
 - Only copies are requested (originals cannot be returned)
- Members in the audit sample can respond to the audit through:
 - On-line through Member Self-Service
 - Fax
 - U.S. Mail
- Confirmation statements
 - On-line: Option to print confirmation statement
 - Fax/Mail: Confirmation statement sent via U.S. mail

Online System Demonstration

bizco

benefitconnect

How am I doing?



Dependents

As part of our continuing efforts to effectively manage our benefit plans, BizCo is verifying the eligibility of all dependents enrolled in a BizCo medical, dental and/or vision plan. This verification process will ensure that coverage is provided only to those dependents who meet the plans' dependent eligibility requirements, and will help us keep the plans affordable for all employees.

You can verify your dependents at this time by clicking [Verify Dependents](#)

SSN	Name	Birth Date	Relationship	Eligible Status	
***_**-0006	Keith Partridge	05/20/1990	Child	Proof Pending	hide detail
Document Name		Sent Date	View Document		
Birth Certificate		03/10/2011	View/Open		
***_**-0007	Laurie Partridge	05/19/1988	Child	Proof Pending	show detail
***_**-0008	Danny Partridge	05/20/1988	Child	Proof Pending	show detail
***_**-0009	Chris Partridge	05/20/1988	Child	Proof Pending	show detail
***_**-0010	Tracy Partridge	05/20/1988	Child	Ineligible	show detail

If you would like to ask a question regarding this dependent audit, you may call us at 1-888-555-1212.

You can also reference the [Frequently Asked Questions and Answers](#).

Personal Information

[hide detail](#)

Name: Shirley Partridge

Birth Date: 10/22/1982

Address: 698 Sycamore Road
San Pueblo
California, CA 118505560

Documents Sent To You

These are the documents that have been sent to you and you can reprint them if needed.

Document Name	Sent Date	Document
Initial Letter	03/18/2011	View/Open

Dependents

Your dependents are listed below.

1. Read the Eligible Dependent Definitions on the right.
2. Verify dependent eligibility by selecting the "Eligible" or "Ineligible" button below for each of your dependents currently enrolled in the medical, dental and/or vision plan.
3. Submit verification of dependent eligibility by checking the checkbox and clicking the [Save and Continue] button below once you are satisfied with your selections.

Eligible Dependent Definitions

- ☐ Spouse
- ☐ Domestic Partner
- ☐ Child
- ☐ Domestic Partner Child

SSN	Name	Birth Date	Relationship	Eligible Status
***-**-0006	Keith Partridge	05/20/1990	Child	<input checked="" type="radio"/> Eligible <input type="radio"/> Ineligible
***-**-0007	Laurie Partridge	05/19/1988	Child	<input checked="" type="radio"/> Eligible <input type="radio"/> Ineligible
***-**-0008	Danny Partridge	05/20/1988	Child	<input checked="" type="radio"/> Eligible <input type="radio"/> Ineligible
***-**-0009	Chris Partridge	05/20/1988	Child	<input checked="" type="radio"/> Eligible <input type="radio"/> Ineligible
***-**-0010	Tracy Partridge	05/20/1988	Child	<input type="radio"/> Eligible <input checked="" type="radio"/> Ineligible

☐ I am confirming that the dependents listed above as "Eligible" meet the eligibility requirements defined in the Eligible Dependent Definitions and are eligible to receive dependent benefits under the BizCo medical, dental and/or vision plans.

Cancel

Save and Continue

Dependent Documents

Upload the required dependent documentation for each eligible dependent.

Click [Continue] if you have not uploaded all required documentation for each dependent.

Click [Submit for Review] if all required dependent documentation is uploaded and is ready to be reviewed. You will not be able to upload more documentation after you have clicked this link.

Required Documentation

- ☐ Spouse
- ☐ Domestic Partner
- ☐ Child
- ☐ Domestic Partner
Child

SSN	Name	Birth Date	Relationship	Eligible Status	
***_**-0006	Keith Partridge	05/20/1990	Child	Proof Pending	Upload Document
Document Name		Sent Date		View Document	
Birth Certificate		03/10/2011		View/Open	
***_**-0007	Laurie Partridge	05/19/1988	Child	Proof Pending	Upload Document
No data found					
***_**-0008	Danny Partridge	05/20/1988	Child	Proof Pending	Upload Document
No data found					
***_**-0009	Chris Partridge	05/20/1988	Child	Proof Pending	Upload Document
No data found					
***_**-0010	Tracy Partridge	05/20/1988	Child	Ineligible	Upload Document
No data found					
Continue		Submit for Review			

OEBB timeline and key dates

Step	Key Activity	Date
1	Advance notification letter to OEBB entities and stakeholders	December 21, 2011
2	Dependent audit announcement sent to all OEBB members by USPS or E-mail based on member's previously selected communication preference	January 4, 2012 (USPS) January 5, 2012 (E-mail)
3	Announcement letter mailed to all selected members	January 10, 2012
4	Verification Packet mailed to all selected member's homes	January 13, 2012
5	Call Center and Member Self-Service portal opens	January 17, 2012
6	Targeted reminder mailed to those who have not completed the process	February 3, 2012
7	Documentation submission deadline	February 10, 2012
8	Letters mailed to non-responders notifying them dependents' coverage will be terminated on March 31, 2012	March 1, 2012
9	OEBB delivers list of "non-responders" terminated dependents to each entity	March 6, 2012
10	Termination Date for ineligible	March 31, 2012

Key points to remember

- It is worthwhile to reinforce for all members to have source documents available to verify their dependents should they be sampled
- Sampled members should be directed to the dedicated website, which is review.ehr.com/OEBB
- Dependent audit call center hours are from 7 a.m. to 4 p.m. PST, Monday through Friday beginning on January 17, 2012; self-service portal is available 24/7 beginning on January 17, 2012
- We cannot assist individuals in obtaining source documents but third party services are available (at a cost to the individual)

Questions