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STATE TREASURER OF NORTH CAROLINA
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Dependent Eligibility Verification Audit

Board of Trustees Meeting

June 2, 2017

A Division of the Department of State Treasurer

Dependent Eligibility Audit Purpose

- **Reduce Cost / Eliminate Waste**

- Identify and remove ineligible State Health Plan participants
- Fiduciary duty to ensure participants on Plan are eligible
- Ineligible participants increase overall cost of Plan
- Eligibility is defined by NC statute, so members with ineligible dependents are violating the law

- **Education / Process Improvement**

- Re-educate Plan participants on eligibility rules
- Re-educate Health Benefit Representatives (HBRs) on verification responsibilities
- Collect and retain eligibility verification documentation
- Identify opportunities to re-engineer process going forward

Audit Scope

- Dependent population under age 75 as of April 19, 2017
 - Approximately 200,000 dependents (approximately 106,000 households)
- Conservative estimate of finding 2.5% ineligible dependents (industry average is 4%-8%) = 5,000 dependents
- The industry average of annual savings in claims per dependent removed totals \$3,500



Methodology

- Benefitfocus, the Plan's enrollment and eligibility vendor, will perform the audit.
- Participants may upload required documentation through the My Document Center in e-Enroll, the enrollment system or e-mail/fax documentation to Benefitfocus.
- Benefitfocus has increased call center staffing for the audit.
- eEnroll will have a verification task associated with dependents that will be used to record/maintain their status.
- Members can confirm verification status through eEnroll.
- Benefitfocus will generate reports throughout the audit to inform the Plan and HBRs of the status of verifications within employing units.
- The Plan will use these reports to perform additional outreach as needed.
- The Plan will accept/evaluate exceptions using the Plan's normal process.
- The Plan is exploring ongoing verification services through Benefitfocus.

Timeline

May 8

- HBR Alert
- Outreach
- Training began

May 18

- First notification to members with dependents mailed

May 22

- Audit began and call center open
- Information posted on Plan's website
- Documentation verification began

June 30

- Second notification mailed to members with unverified dependents

July 31

- Final deadline to submit documentation

August 1

- Terminations begin with 7/31 effective date
- Exception process opens and runs through Sept. 30

Current Audit Status

- For the first week of the audit (May 22-26)
 - More than 6,000 calls regarding the audit came into the Eligibility and Enrollment Support Center
 - 24,009 documents have been received:
 - 20,347 via eEnroll
 - 2,505 via email
 - 1,157 via fax
 - 4,630 dependents have been verified
 - There are 187,500 unverified dependents remaining

HBR Communication

- The Plan has been communicating with HBRs to ensure they are aware of their roles and responsibilities during this audit. We have asked them to communicate to their employees on a regular basis until the submission deadline.



Coming Soon! Dependent Eligibility Verification Audit

The State Health Plan recently announced strategic priorities and benefit changes designed to provide Plan members with stability and predictability in their health plan benefits. These changes also begin the task of lowering the state's \$43 billion in unfunded liabilities for retiree health benefits. In addition, we are taking advantage of our buying power and making family premiums more affordable. The Plan is constantly working to provide the best return on investment as well as reducing complexity and building value for all Plan members.

Allowing ineligible dependents to participate in the Plan increases the overall cost of our Plan to members and taxpayers. Every dollar going to those who are ineligible is a dollar out of your pocket. **As an important step towards reducing costs and eliminating waste, the Plan is conducting an audit to verify eligibility of dependents covered by the Plan. This audit will focus on all subscribers with dependents under the age of 75 as of April 19, 2017.**

Members with dependents will receive a letter by the end of the month, with a request to provide documentation of their dependents which will need to be provided by July 31, 2017.

Failure to respond and produce the required documentation will result in termination of the dependents' coverage under the Plan effective August 1, 2017.

We will be providing more detailed information in the next couple of weeks to equip you with the information you will need to assist your employees through this process.

As Benefitfocus begins this configuration on a group-by-group basis, employees will start seeing a "dependent verification document required" notice in eEnroll when employees try to add a dependent. This notice indicates that they must provide the required documentation.

As is already required, please assist employees with their required documents. Detailed instructions will be provided soon on how to use the document upload feature. Employees who fail to provide required documentation within their enrollment window will be unable to add or drop their dependents until Open Enrollment.



Dependent Eligibility Verification Audit Important Information

Earlier this week, the [State Health Plan announced](#) the upcoming Dependent Eligibility Verification Audit. This audit will focus on all subscribers with dependents under the age of 75 as of April 19, 2017. The audit will begin May 22, 2017.

Members with dependents will receive a letter by the end of the month, with a request to provide documentation of their dependents which will need to be provided by July 31, 2017. **Failure to respond and produce the required documentation will result in termination of the dependents' coverage under the Plan effective August 1, 2017.**

[Click here for the Member Notification letter.](#) This letter includes instructions for your employees on how to use the document upload feature in eEnroll.

As an HBR, your role during this audit includes the following:

- As eEnroll is configured in preparation for this audit, you may start seeing tasks in your task list such as "Missing Dependent Verification" which you can ignore. Continue managing your daily tasks, but be aware that other tasks may also be generated. If you have questions around your tasks, please call the HBR Support line at 800-422-5249, create a case via One Place 365, or contact your Account Manager.
- Beginning May 22, communicate to your employees about the audit on a regular basis to ensure they are aware of the deadline.
- Run regular reports in eEnroll to determine employees who have not yet provided documentation. [Click here for instructions on how to run the "Employees Missing Dependent Verification" report.](#) **If an employee already has documents in the Document Center, they will be reviewed to ensure they meet the requirements of the audit. If they do not, the member will be required to submit the missing documentation.**
 - If your group utilizes the Integrated HR/Payroll System (formerly known as BEACON), designated Central Agency HR/Benefits staff have access to run the referenced reports for distribution to your work locations. Additionally, BEST Shared Services is another resource for assistance.

Important Resources

[Frequently Asked Questions](#)

[Dependent Eligibility Verification Audit Required Documents](#)

The Plan has used HBR Alerts, newsletters and webinars to educate HBRs on the audit.

Member Notification



Eligibility and Enrollment Support Center
 SHPDependentAudit@benefitfocus.com
 855-859-0966
 Monday through Friday, between 8 a.m. and 5 p.m. EST

May 19, 2017

<<First Name>><<Last Name>>
 <<Address Line 1>>
 <<City>>, <<State>><<Zip Code>>

**IMMEDIATE ACTION REQUIRED TO
 MAINTAIN STATE HEALTH PLAN COVERAGE
 FOR YOUR DEPENDENTS**

Dear <<First Name>>,

The State Health Plan (Plan) recently announced strategic priorities and benefit changes designed to provide Plan members with stability and predictability in their health plan benefits. These changes also begin the task of lowering the state's \$43 billion in unfunded liabilities for retiree health benefits. In addition, we are taking advantage of our buying power and making family premiums more affordable. The Plan is constantly working to provide the best return on investment as well as reducing complexity and building value for all Plan members.

Allowing ineligible dependents to participate in the Plan increases the overall cost of our Plan to members and taxpayers. Every dollar going to those who are ineligible is a dollar out of your pocket. As an important step towards reducing costs and eliminating waste, the Plan is conducting an audit to verify eligibility of dependents covered by the Plan.

Our records indicate that you currently have dependents covered by the Plan. In order to ensure continued coverage under the Plan for your dependents, you must respond with the required documentation described below by **July 31, 2017. Failure to respond and produce the required documentation will result in termination of your dependents' coverage under the Plan effective August 1, 2017.**

Ways to provide this documentation are outlined on the following page. If you have any questions about this process, please contact the Eligibility and Enrollment Support Center at 855-859-0966, Monday through Friday, between 8 a.m. and 5 p.m. EST or at SHPDependentAudit@benefitfocus.com. For more information, you can also visit the Plan's website at www.shpnc.org.

Thank you for your cooperation in assisting us with this important step towards protecting the Plan's financial stability.

Sincerely,

State Health Plan

Eligible Dependent Types	Required Documentation for Eligible Dependents			
	1040 Income Tax Return*	Marriage Certificate	Birth Certificate	Adoption or Legal Guardianship Papers
Legal Spouse	✓			
Child – Biological			✓	
Child – Stepchild		✓	✓	
Child – Adopted/Placed for Adoption				✓
Child – Legal Guardianship				✓

*1040 Income Tax Return—only submit the first page of your most recently filed 1040 tax return. Please black out any financial information, as well as the first five digits of any Social Security numbers.



Eligibility and Enrollment Support Center
 SHPDependentAudit@benefitfocus.com
 855-859-0966
 Monday through Friday, between 8 a.m. and 5 p.m. EST

Instructions for Providing Required Documentation

1. Visit the State Health Plan's website at www.shpnc.org and click **ENROLL NOW**
2. Select the appropriate yellow box to log into eEnroll
3. Once you are logged into eEnroll a message box will appear: "Dependent Verification Documentation Request"
4. Click **GET STARTED**
5. You will then be prompted to upload the required documentation within the Document Center. You are able to provide a scanned copy of the document or take a photo with your smart phone and upload it directly to the Document Center as shown below.
6. If the documentation you provided cannot be verified you will receive notification or you can log back into eEnroll where you can check the status of your verification.

My Document Center Upload Instructions

Document name must be submitted and/or approved for the following dependent: TEST CHILD. Access My Document Center to submit now.

Sort By:	Document Name	Date Created	Date Uploaded
	Document is awaiting upload Dependent Name: TEST CHILD Benefits will not be effective until a verification document has been received and approved by your administrator.		04/19/2017 DOE, JANE

Document Required Upload a Document Associate an Existing Document

Please complete the information below.

Browse for file*
 File Chosen: test_BC.docx
Hover over the [x] above to view accepted file types.

Document name*
 Birth Cert

Category*
 Birth Certificate

Date
 04/19/2017

Description

Cancel Save

- If you do not have access to eEnroll, you can email your document to SHPDependentAudit@benefitfocus.com or fax it to 866-742-6444. You are required to include your Full Name, Dependent's Full Name, State Health Plan ID number located on your Plan ID card and the name of your employing unit on both the email and fax in order for the document to be accepted. Mailed, hard copy documents will not be accepted.

State Health Plan Website

The State Health Plan is conducting a Dependent Eligibility Verification Audit of all dependents covered by the Plan under the age of 75.

The deadline is July 31, 2017!

[Click Here to Learn More](#)

ATTENTION: IMMEDIATE ACTION REQUIRED TO MAINTAIN HEALTH PLAN COVERAGE FOR YOUR DEPENDENTS



ATTENTION: IMMEDIATE ACTION REQUIRED TO MAINTAIN HEALTH PLAN COVERAGE FOR YOUR DEPENDENTS

News and Updates



Dependent Eligibility Verification Audit
This audit will focus on all subscribers with dependents under the age of 75 as of April 19, 2017...

Upcoming Events

Navigating Your State Health Plan Benefits and Medicare
Tuesday, May 23, 2017 at 10:00 a.m. - 12:00 p.m.

Navigating Your State Health Plan Benefits and Medicare
Wednesday, May 24, 2017 at 10:00 a.m. - 12:00 p.m.

- 2017 Benefit Information
- Find a Doctor
- Member Login
- My Personal Health Portal
- Rate Calculator
- Find a Doctor
- Contact Us

State Health Plan for Teachers and State Employees

Dependent Eligibility Verification Audit

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In order to ensure continued coverage under the Plan for those dependents, members must respond with the required documentation by **July 31, 2017**. Failure to respond and produce the required documentation will result in termination of dependents' coverage under the Plan effective August 1, 2017.

Members will receive a letter by the end of May, with a request to provide documentation of their dependents which will need to be provided by July 31, 2017.

Members will need to upload the required documents using the Document Center in eEnroll, the Plan's enrollment system. See instructions below.

[Click here to view a complete listing of the Dependent Eligibility Verification Audit Required Documents](#)

Frequently Asked Questions

[\[-\] General](#)

[\[-\] Submitting Dependent Verification Documentation](#)

[\[-\] Privacy](#)

[\[-\] Ineligibility](#)

[\[-\] Making Dependent Changes](#)

[\[-\] Non-Compliance](#)

Instructions for Providing Required Documentation

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2. Select the appropriate yellow box to log into eEnroll
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4. **CLICK GET STARTED**
5. You will then be prompted to upload the required documentation within the Document Center. You are able to provide a scanned copy of the document or take a photo with your smart phone and upload it directly to the Document Center as shown below.
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