Are Rising Employee Healthcare Costs Impacting Your Hospital’s Budget?

If you could reduce those costs without impacting benefits, would you?

» Medical institutions nationwide are feeling budgetary pressure as a result of the Affordable Care Act (ACA) and other costs that they can’t directly control—including employee healthcare.

What many hospitals don’t realize is that some of those employee healthcare costs are avoidable. On average, 5-10% of dependents covered by hospitals benefits plans are not truly eligible for coverage. Few strategies offer a greater immediate and substantial opportunity to reduce healthcare costs than the dependent eligibility audit.

With HMS’s dependent eligibility audits, you can identify and help permanently remove ineligible dependents from your health plan, reducing your claim costs. And lower claim costs mean more money available for other critical needs, including supplies, proper staffing, and other items that directly impact your patients.

Does Our Hospital Need to Conduct a Dependent Eligibility Audit?

» The only way to ensure that all of your enrolled dependents are eligible for coverage is to verify their relationship to your employee. Do you currently perform all of the following activities? If not, you need to conduct a dependent audit:

• Each time a dependent is enrolled in our plan, we ask for copies of documents that prove the dependent’s relationship to our employee (birth certificates, marriage licenses, etc.)

• Every two years we ask for documents that help establish that spouses on our plan are still married to our employees (mortgage statements, utility bills, etc.)

• Each year we ask adult children on our plan to sign a statement affirming that they don’t have coverage available through their own employer

HMS Is the Nation’s Leading Provider of Dependent Audits to Hospitals

Through our experience in conducting dependent audits for more than 500 hospitals and medical organizations, we have gained insight into your industry’s unique needs. We have created flexible audits to work within the fast-paced schedules of employees in the industry, as well as those workers who do not have access to e-mail due to the nature of their work. We will tailor your communications to meet the full spectrum of needs for your employees.

We typically find that 12% of dependents in the healthcare industry are not eligible for the health plan, and for each ineligible dependent identified and removed, hospitals save an average of $3,500 per year. Return on investment for our hospital and medical center dependent audits averages 3,175%!
Benefits of a Dependent Eligibility Audit

Our industry-leading dependent eligibility solutions help you:

» Control wasteful spending
  • By not paying claims for ineligible dependents, plan costs are reduced and future premium increases are held in check.

» Reduce future costs
  • Regular dependent eligibility audits demonstrate to employees that you’re doing your best to control the costs of their health insurance.
  • Auditing helps stem future abuses of the eligibility provisions in your health plan.

» Comply with the law
  • ERISA mandates plan sponsors to “manage plans for the exclusive benefit of participants and beneficiaries.”
  • Removing ineligible dependents helps your hospital meet its fiduciary obligations.
  • Dependent eligibility audits provide another internal control to help comply with Sarbanes-Oxley.

Why Choose HMS?

Quick results. Our typical hospital audits can be completed in just 120 days, providing immediate and substantial savings for your current budget year.

Unparalleled expertise. We have conducted audits for hundreds of companies in a variety of industries, ranging from small hospitals to large medical centers and Fortune 500 companies. Our customized solutions can work for you whether you have 100 employees or 100,000 employees.

Proprietary technology. Our purpose-driven, proprietary audit platform has been used to accurately process over 2 million dependent verification documents. Our custom employee and administrative web portals keep you and your employees informed every step of the way. We can tailor our resources to work with your technical environment, standard operating procedures, and plan provisions.

Proven results. Our dependent eligibility audits have resulted in immediate and ongoing savings of over $1 billion dollars.

How Does the Dependent Eligibility Audit Process Work?

HMS’s dependent eligibility audits include four phases:

1. Planning. We will review your current plan rules and then establish the timeline and communication plan for notifying your employees of the audit. Our processes are tailored to meet your objectives, mitigate future issues, and create a positive experience for employees.

2. Verification. Employees must provide documentation showing that enrolled dependents comply with the plan’s eligibility definitions and guidelines. A dedicated call center team addresses any questions and our online tool allows employees to check their status and access helpful resources.

3. Reporting. HMS provides timely and insightful reporting throughout the audit process, including a customized web tool available 24/7 for you to track progress and results.

4. Ongoing audits. The option for conducting audits on a quarterly or annual basis allows us to review new or recently added dependents to ensure that ineligible dependents do not migrate back into your plan. This generates the most substantial savings year after year.