

Case Study #2 - DEV & OCV (Other Coverage Verification) 2017

Industry: Regional Pediatric Health Care System

Services Included:
Dependent Eligibility
Verification / Other



Company Profile:

This provider is the leading pediatric health care system in Texas, serving over 250,000 patients annually. The eighth largest pediatric hospital in the US, it has been named one of the "150 Great Places to Work in Health Care" for five consecutive years.

With more than forty locations, this hospital system employs 1,300 medical and dental staff, 1,000 physicians and 7,000 support staff. Specializing in 50+ pediatric programs including Orthopedics, Gastroenterology & GI Surgery, Nephrology, Cardiology & Heart Surgery, Urology, Cancer, Neurology & Neurosurgery, Pulmonology, Diabetes & Endocrinology, and Neonatology, it is no wonder their mission is to make children's lives better.

Business Challenge:

As a non-profit organization, this hospital system faced soaring costs associated with itself funded health plans. In the absence of a formal process to verify the eligibility of each enrolled dependent it was clear that there could be individuals on the plan generating unnecessary expense. In addition as a way to help reduce costs, a working spouse provision (spouse surcharge) was implemented and 40% of the employees with a spouse participated in the rule voluntarily although no process was in place to verify the existence of the other coverage availability. They relied on the honor system.

Objectives:

- Ensure that only eligible dependents remain on the health care plan.
- Identify the most employee friendly process while still achieving meaningful results.
- Ensure all employees with a working spouse, whose employer offers health insurance, are compliant with the working spouse provision.

Solution:

Upon review of several vendor options, Consova was chosen to conduct a dependent eligibility audit and other coverage verification on the hospital's dependent-covering employee population. Through a series of customized, co-branded communications, employees were guided through the process of verifying the eligibility status of their dependents. Consova's web portal and live, US-based call center were made available to address any questions raised during the process and to ease the burden on employees.

Results:

Upon completion of the project, 95% of employees participated in the verification process. Consova handled roughly .85 phone calls per dependent covering employee. 81% of respondents uploaded documents through our secure web portal, 10% responded via secure fax and 9% replied using US Mail.

The company audit identified 8.1% or 649 dependents as ineligible, resulting in projected first-year savings of approximately \$2.9 million. Additionally, 8% (100) of the employees with spouses initially not paying the surcharge were assessed the surcharge in accordance with the hospital's working spouse provision, resulting in additional surcharge collection of over \$60,000.