It All Starts with Enrollment

Second in a Series of Webinars

Self-funded Health Plans:

How to Reduce Costs Without Changing Coverage

Brought to you by:

July 2007

Pioneering Specialists in

Group Health Care

Post-Payment Administration

For Over 20 Years

Customer Philosophy

Respect for Existing Procedures

Emphasis on Customization

Focus on Solutions

July's Webinar -
It All Starts with Enrollment

- **June -** Series Overview: How to Reduce Costs without Changing Coverage
  (Podcast available at "Si's Library" www.healthdecisions.com)
- **August -** *Making Medicare Pay*
- **September -** *Claim Recovery "Yachtsmanship"*
- **October -** *The 'Rx' for Rx Claims*
- **November – Declaring WARR**

Enrollment Realities

Enrollment is

- The foundation of all plan management.

- The most overlooked plan management tool.

- The source for major savings opportunities.

Enrollment Realities

What Plan Administrators Do Well

➢ Initial Eligibility and Enrollment Support

➢ Open Enrollment Elections

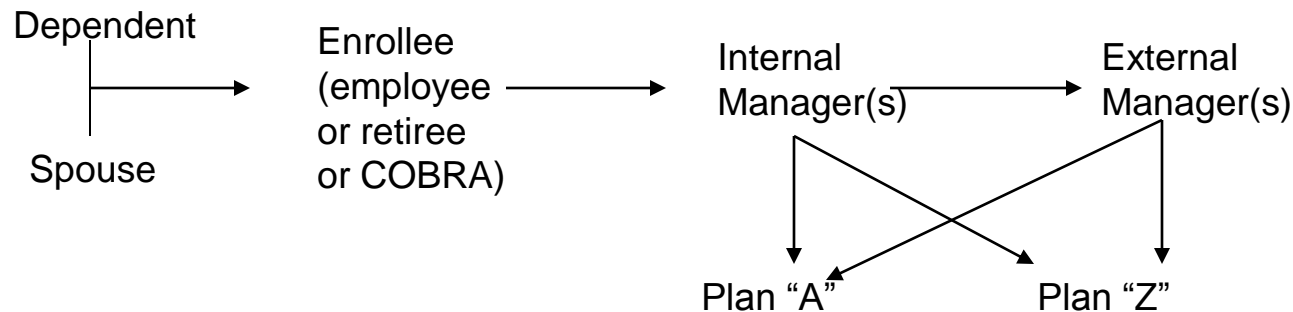➢ On-going Add/Delete Processes

What Plan Administrators Do Poorly

➢ **Monitoring** of Eligibility

➢ **Maintenance** of Enrollee Information

Enrollment Realities

Factors Complicating Enrollment Monitoring and Maintenance

➢ Number of employees, retirees, spouses and dependents
➢ Number of enrollment sites
➢ Number of enrollment managers
➢ Number of benefit administrators
➢ Complexity of eligibility requirements

Dependent

Spouse

Enrollee
(employee
or retiree
or COBRA)

Internal
Manager(s)

External
Manager(s)

Plan "A"

Plan "Z"

Today's Webinar

Today's Session Covers:

How to monitor enrollment.

How to maintain enrollment facts.

Today's Session Will:

Help you assess current monitoring and maintenance efforts.

Discuss techniques to make monitoring and maintenance a positive experience for all.

Monitoring

What

1. Enrollment reconciled to Employer Rosters
   - ❖ Terminations
   - ❖ Work-related Criteria
   - ❖ Family status
2. Enrollment reconciled to Retiree Rosters
   - ❖ Classification
   - ❖ Plan Assignments
3. Multiple Plans reconciled to each other
   - ❖ Duplication
   - ❖ Family Overlap
4. COBRA election reconciled to payment
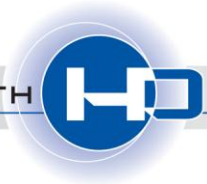   - ❖ Dependent elections
   - ❖ Past due premiums

Monitoring

How

➤ Electronic files compiled and standardized

➤ Cross reference for inconsistencies and anomalies

How Often

➤ Depends on levels of employment changes

➤ Depends on frequency of Add/Deletes

➤ Annually recommended; semi-annual advisable; quarterly good; monthly only if needed

**What You Might Find
Based on What We Have Seen**

1% - 5% enrollment error
plus associated claim payment error

➢ Terminated employees not terminated or terminated well after actual date (often linked to COBRA).

➢ Non-employees enrolled (in error or intentionally)

➢ Retirees still on active plans (Medicare not paying)

➢ Multiple enrollments (whole families or family members)

Maintenance

What

1. Enrollee Information Verification

   ❖ Focused (only claimants or only certain plans)

   ❖ Full (all enrollees and families)

2. Dependent Documentation Verification

3. Other Coverage Verification

   ❖ Pre-payment   (pursue and pay)

   ❖ Post-payment (pay and pursue)

Maintenance

How

1. Paper Surveys (75%-90% voluntary response)
2. Web Surveys (useful option)
3. Telephone Call Center (coordinate with HR)
4. Outbound Calling (selected case follow-up)
5. Response Intake (non-response follow-up)
6. Bad Address Processing (postal order and research)
7. Documentation Processing (correct and complete)
8. FAX (documentation submittal)
9. Scanning (documentation storage and retrieval)
10. Input (electronic files created and shared)

Maintenance

How Often

1. Enrollee Information Verification

   ❖ Annually after Open Enrollment

2. Dependent Documentation Verification

   ❖ At least every three years

3. Other Coverage Verification

   ❖ As needed based on response from other coverage source

Maintenance

**What You Might Find
Based on What We Have Seen**

4% - 12% of Dependents Not Eligible
(with associated premium, fee, and claim costs)

5% - 10% of Other Coverage Not Known
(with missed COB recovery opportunities)

5% - 15% of Addresses Not Deliverable
(with lack of plan communications and EOBs)

Monitoring and Maintenance

Keeping It Positive

1. Make this part of the benefit "routine"
2. Communicate, Communicate, Communicate
3. Stress value to the enrollee
    1. Care for and about personal information
    2. Help get full value from all available coverage
    3. Excess costs effect them
4. Consider initial amnesty
5. Be clear on consequence for non-response
6. Recognize errors by others
7. Seek union endorsement, if applicable

Closing Thoughts

Enrollment Monitoring and Maintenance Is Self-Funding's "Dirty Little Secret"

➢ Most claim payment error is caused by erroneous enrollment facts.

➢ Every plan administrator when presented with an error in enrollment facts blames the self-funded plan.

➢ Plan administrators have a disincentive to reduce enrollment since that reduces their income.

➢ The responsibility for monitoring and maintaining enrollment facts resides with the self-funded plan.

➢ The good news is that monitoring and maintenance can be done

Closing Thoughts

Self-Funded Plans are Responsible for Enrollment Monitoring and Maintenance

➢ Advances in technology make enrollment monitoring and maintenance more feasible than ever before.

➢ Enrollment monitoring and maintenance produces a powerful ROI.

➢ Enrollment monitoring and maintenance marks the beginning of successful self-funded plan management.

For More Information

Contact

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We will arrange for a private consultation to answer questions and discuss options.