

Dependent Eligibility Audits

March 2009

Dependent Eligibility Audits (DEA's) are a quick and efficient way to uncover those dependents that truly do not meet the eligibility requirements of the health plan.

Ineligible dependents increase the cost of health care for EVERYONE.

Statistics show that 5% -15% of covered dependents are INELIGIBLE to be enrolled on the employer health plan. The cost of carrying an ineligible dependent is approx. \$3,000 per year, every year.

FACTS

What is a Dependent Eligibility Audit?

Our audit approach is a structured, controlled and investigational process designed to preserve the integrity of the employer's plan and help assure that those receiving benefits are only those entitled to those benefits.

Why Do an Audit?

A Dependent Eligibility Audit provides an effective cost control technique. Sometimes the employer's desire to have an easy, and convenient internal process can sacrifice accuracy and result in significant and unwarranted cost.

The honor system has its risks. Most employers do not ask for verifiable documentation before allowing an employee to add dependents to the health plan. That results in 5-15% of ineligible dependents that all plan members end up paying for.

We have a process that confirms the validity of each dependent on the plan and eliminates a significant portion of waste inside the health plan. The audit results in immediate Return on Investment (ROI).

American Benefits Management has been involved in health plan administration for 25 years. With today's economic climate and the continuing rise in health care costs, it is critical that no stone be left unturned in the effort to control costs. While the focus is on health and wellness, as well it should be, there are significant dollars to be saved by using our simple processes.

Plan sponsors have a fiduciary responsibility to protect plan assets and to be sure benefits are paid only for those dependents that are eligible to be on the plan.

*L e t u s h e l p
y o u g a i n
c o n t r o l
o v e r y o u r
h e a l t h p l a n
c o s t s !*

OPPORTUNITY

The next time you receive your double digit increase in your health plan rates, ask yourself if that increase might be due in part to claims being paid out on behalf of a dependent that should not even be on your plan. Consider the following:

Divorced Spouses – Boyfriends and Girlfriends – Custody Arrangements – Step-Children – Foster Children – Common law Marriage – Domestic Partners – Grandchildren – Legal Awards – Nieces and Nephews

The employer and all of the employees are paying the price! Is it really fair to everyone? Is it your intention? We can help you fix this problem for good!

Reduce Health Plan Costs IMMEDIATELY!

- *Extraordinary ROI (300% to 1,000% first year)*
- *2-12 month payback in audit costs*
- *2% - 8% reduction in health plan expenditures*

Reduce Fiduciary Exposure and Liability

- *ERISA Exclusive Benefit Rule*
- *Section 125 Exposure*
- *Sarbanes-Oxley*

QUICK & EASY

- *Service Driven*
- *Inbound/Outbound Call Center*
- *Employee Focused Process*
- *Ease of Deployment*
- *Employee Letter Campaign*
- *Document Storage and Disposal*
- *Complete Audit Report*

Contact Paul Cantwell, President of American Benefits Management for further information and a formal proposal at 330-966-5500 x 116

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