




HDMTM

HEALTHCARE DATA
MANAGEMENT, INC.

**PEIA
Enrollment Reconciliation Analysis (ERA)
and
Dependent Eligibility Verification (DEV)**




August 11, 2009



In an effort to contain rising healthcare costs, PEIA must confirm that payments for healthcare services are made for only covered policyholders and their eligible dependents.

Your agency is the first to be included in the process.



Over the next six months, HDM will conduct ERA and DEV with all West Virginia State agencies and non-state agencies and those PEIA-covered policyholders (employees/retirees) with at least one dependent.

Who's Involved

HDM, Inc., King of Prussia, PA:

- Nationwide leader in audits and analytics for self-insured employee health plans.
- Offers a wide range of auditing and analytic services, including Dependent Eligibility Verification (DEV).

Who's Involved

HDM, Inc., King of Prussia, PA:

- Clients include some of the largest corporations in the U. S. and many state and city governmental entities, such as:
 - North Carolina
 - Wyoming
 - City of Fort Worth

The ERA

- In order for PEIA to confirm employee eligibility for coverage based on the number of hours worked, all agencies will be required to submit payroll information.
- Chapter 5, Article 16 of the WV State Code (§5-16-12a) was amended to require agencies to provide the information needed by PEIA.

The ERA

Your Agency:

- Has 30-days from the post mark on the letter you recently received to remove ineligible employees from the PEIA Health Plan. PEIA will not question the changes made during this grace period.
- Must submit a copy of your agency payroll information for May, June, and July 2009, by September 7, 2009.

The ERA

Your Agency:

- Payroll information should include:
 - Agency's Account Number
 - Employee Full Name (last, first and middle initial)
 - Employee Date of Birth
 - Employee Social Security Number

The ERA

Your Agency:

- Payroll information should include:
 - Employee's Home Address (street, city, state, zip)
 - Employee's PEIA Monthly Premium Amount
 - Hours worked (use the same period as payroll info you submit, i.e., weekly, monthly)
 - Employee status (e.g. full-time, part-time)

The ERA

Your Agency:

- Please identify any employees who are on medical, personal, family, sick leave, etc. or whose hours suggest that they may not be sufficient for eligibility (e.g. employees whose hours do not add up to the minimum required for eligibility).

The ERA

You may submit payroll information in electronic format or hard copy:

- An ASCII delimited file, such as Excel, is preferred.
- If uploading an electronic file to the secure FTP site provided by HDM, please include a cover note that explains the record layout (i.e., fields in payroll record).
- To obtain access to the FTP site for your agency, email your agency name and Account Number to HDM at PEIA_Audit@hdminc.com

The ERA

You may submit payroll information in electronic format or hard copy:

- Payroll information may also be submitted on a password-protected CD or in hard copy, and should be sent via certified mail to:

Attention: Donna Muollo
HDM, Inc.
555 Croton Road, Suite 350
King of Prussia, Pennsylvania 19406

The ERA

If your agency does not respond to the request for payroll data by September 7, 2009, your policyholders' medical claims will be placed on hold and no payments will be made.

- If you have any questions about the ERA process, or your agency's responsibilities and deadlines, please contact HDM at 800-859-5119 (ext 286).
- **Please do not contact PEIA – you will be referred back to HDM.**

Reason for the DEV

PEIA has a responsibility to make sure that
dependents are truly eligible

The DEV Policyholder Packet

- A **DEV Packet** will be mailed to your PEIA-covered policyholders approximately 30 days after you received your letter requesting compliance with the ERA.
- The DEV packet to contain...
 - An **introductory letter** from PEIA
 - A **grace period affidavit** that allows covered policyholders to identify and request removal of ineligible dependents from the PEIA Plan for 30 days without fear of retribution.

The DEV Policyholder Packet

- The DEV packet to contain...
 - Each employee's known dependents will be listed on the **grace period affidavit**.
 - A form that provides definitions of all types of eligible dependents and explains required documentation (e.g. federal income tax form, birth certificate, etc.).
 - FAQs
 - A **pre-addressed returned envelope** to allow policyholders to return the completed and signed **affidavit** and documentation to HDM.

The DEV Process

Step 1

- Policyholders have a 30-day **grace period** (until October 5, 2009) to return the signed and dated **grace period affidavit**, with any ineligible dependents marked “ineligible” and eligible dependents marked “eligible.”
 - During the 30-day grace period, PEIA will not question the dependent(s) identified as ineligible by the policyholder.

The DEV Process

Step 1

- The policyholder will also not be subject to future recovery of claim payments or referral to the appropriate legal authorities for investigation of insurance.
- All dependents marked “eligible” must be supported with appropriate documentation.
- Policyholders will be instructed to submit only **copies** of documentation in 8.5” x11” format.

The DEV Process

Step 1

- **If you choose to notify your employees of the upcoming DEV directly, please refer them to the PEIA's eligibility requirements outlined in the Plan Year 2010 Summary Plan Description.**

The DEV Process

Step 1 – Special Instructions

- The introductory letter in the DEV PACKET will also clearly state that...
- If a policyholder submits no documentation or confusing or inadequate documentation for a dependent, the PEIA will reserve the right to determine how much money it has spent in the past two years on that dependent and to collect that amount from the covered policyholder.

The DEV Process

Step 1 – Special Instructions

- The PEIA also reserves the right to investigate any possible fraud or abuse.
- Any policyholder, who fails to respond by the end of the audit, or if one or more of a policyholder's dependents is found to be ineligible, healthcare coverage for the dependent(s) will be cancelled.

The DEV Process

Step 1 – Special Instructions

- If the policyholder misses the deadline to provide proof of eligibility, and dependent coverage is cancelled, the policyholder will be able to re-enroll an eligible dependent(s), with proof of eligibility.

The DEV Process

Step 1 – Special Instructions

- Failure to provide adequate documentation will result in a notice being sent to the policyholder at the conclusion of the DEV that the policyholder's dependent(s) will be removed from the PEIA Health Plan, and at that time the policyholder will have the opportunity to appeal the decision.
- **NO DEPENDENT(S) WILL BE REMOVED INVOLUNTARILY UNTIL AFTER THE APPEALS PROCESS.**

The DEV Process

Step 1 – Special Instructions

- Some dependents may be eligible for COBRA continuation, based on the date of the qualifying event (25th birthday, date of divorce, loss of other coverage, etc.), but Federal Law requires the employee to notify their employer of the qualifying event within 60 days of that event in order to be eligible for COBRA enrollment. If the date of the event was earlier than 60 days from this event, the employee does not have the right to elect COBRA continuation.

The DEV Process

Step 1 – Special Instructions

- All questions should be directed to HDM at 800-859-5119 ext 286, or to Donna Muollo at:
- dmuollo@hdminc.com

The DEV Process

Step 2

- Approximately 30 days after the DEV PACKET mailing, policyholders who have not responded will receive a second notice of the DEV deadline.

Step 3

- Approximately 45 days after the DEV PACKET mailing, all policyholders who still have not submitted adequate documentation will receive a letter notifying them that their dependent(s) will be removed from coverage.

The DEV Process

Step 3

- At this time, they will also be notified of the Appeals Process.

NO POLICYHOLDER WILL HAVE COVERAGE FOR A DEPENDENT(S) TERMINATED UNTIL THE APPEALS PROCESS IS COMPLETED.

DEV- Eligible Dependents & Acceptable Documentation

This information will be contained in the DEV Packet to be mailed to policyholders.

Dependent(s)	Acceptable Documentation* ***** (Do Not Send Originals) *****
Spouse	2008 Federal Income Tax Return (Page 1 ONLY) <u>AND</u> Marriage certificate
Biological or adopted children	2008 Federal Income Tax Return (Page 1 ONLY) <u>AND</u> Birth certificate or Adoption placement agreement or other legal documentation with court signature or seal
Stepchildren who live with the Plan member and are under 19	2008 Federal Income Tax Return (Page 1 ONLY) <u>AND</u> Birth certificate or Adoption placement (or guardianship, custody) agreement or other legal documentation with court signature or seal, showing the member's spouse as the adoptive or biological parent
Children under age 19 who are members of the plan member's household and fully dependent upon the member for support and maintenance	2008 Federal Income Tax Return (Page 1 ONLY) <u>AND</u> Birth certificate

DEV- Eligible Dependents & Acceptable Documentation

This information will be contained in the DEV Packet to be mailed to policyholders.

Dependent(s)	Acceptable Documentation* ***** (Do Not Send Originals) *****
<p>Children or stepchildren over age 19 who live with the plan member, have been continuously covered by PEIA since before age 19, and who are incapacitated and cannot support themselves due to a physical or mental disability which began before age 19, or before age 25 if coverage was extended as a “qualifying child” or “qualifying relative.” (See below). For newly hired policyholders in their initial enrollment period in the PEIA, it is not necessary that the dependent be covered before age 19.</p>	<p>2008 Federal Income Tax Return (Page 1 ONLY) <u>AND</u> Birth certificate</p>
<p>Unmarried children ages 19-25 (i.e., Qualifying Child or Qualifying Relative)*</p>	<p>2008 Federal Income Tax Return (Page 1 ONLY) <u>AND</u> Birth certificate</p>
<p>Handicapped children over 25 years of age</p>	<p>Birth certificate <u>PLUS</u> handicapped certification documentation</p>

Questions?

- If you have any questions about the ERA or DEV after this meeting, please refer to the list of Frequently Asked Questions (FAQs) at www.wvpeia.org under the “ERA/DEV” link, call HDM at 800-859-5119 (ext 286) or email Donna Muollo at dmuollo@HDMINC.com

Thank You!