

Joe Manchin III  
Governor



Ted Cheatham  
Director

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August 5, 2009

Agency Head or Benefit Coordinator  
Street Address1  
Street Address2  
City, State Zip Code

Re: Enrollment Reconciliation Analysis and Dependent Eligibility Verification

Dear Benefit Coordinator:

As you may know, companies and insurers across the nation are looking for ways to contain the rising cost of healthcare. One of the ways to do this is to confirm that payments for healthcare services are made only for truly eligible employees and their dependents. PEIA has decided to begin an eligibility review of its participating agencies, their employees and dependents beginning this month. All State and non-State agencies have been divided into groups that have specific deadlines for the information that must be provided.

**This letter is to notify you that your agency has been selected in the first group for review. Please read this entire letter carefully and make note of the responsibilities and deadlines for your agency and for your employees with PEIA coverage.**

To assist PEIA with this eligibility review, we have contracted with the team of Healthcare Data Management, Inc. (HDM) and Public Consulting Group (PCG). HDM will be handling agency and employee notifications, data collection and analysis, and PCG will provide a toll-free call center for agencies and employees with questions.

There are two parts to the eligibility review designed for PEIA:

1. **An Enrollment Reconciliation Analysis (ERA)**, also known as a payroll reconciliation, which requires action by your agency.
2. **A Dependent Eligibility Verification (DEV)**, which aims to identify and remove ineligible dependents from the PEIA plan. The DEV requires action by your employees.

#### **The ERA**

In order for PEIA to confirm that an employee is eligible for coverage based on the number of hours worked, all agencies will be required to submit payroll information. In April 2009, Chapter 5, Article 16 of the WV State Code (§5-16-12a) was amended to require agencies to provide the information needed by PEIA.

Under the ERA, your agency:

- Has a 30-day grace period from the receipt of this letter to remove ineligible employees from PEIA. PEIA will not question the changes made during the grace period.

- Must submit a copy of your agency payroll information for May, June, and July 2009, by September 7, 2009. The payroll information should include the following information:
  - Agency's Account Number
  - Employee Full Name, (Last, First and Middle Initial)
  - Employee Date of Birth
  - Employee Social Security Number
  - Employee's Home Address
    - Street
    - City, State, Zip Code
  - Employee's PEIA Monthly Premium Amount
  - Hours worked
  - Employee status

Be sure to note any employees who are on leave (medical, personal, family sick leave, etc.) or any employees whose hours suggest that they may not be sufficient for eligibility, such as an employee whose summer hours do not add up to the minimum required for eligibility.

Payroll information may be submitted in electronic format or hard copy. An electronic format (ASCII delimited file, such as Excel), is preferred. If uploading the electronic file to the secure FTP site provided by HDM, please include a cover note that includes the record layout.

To obtain access to the FTP site for your agency, email your agency name and Account Number to HDM at [PEIA\\_Audit@hdminc.com](mailto:PEIA_Audit@hdminc.com). Upon receipt of this information you will receive 2 emails. The first email will have the URL of the secure FTP site for your agency and a username, and the second email will contain the password to access the site.

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

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

Please allow adequate time to meet the September 7, 2009 deadline for HDM to receive your agency's payroll data.

**PLEASE NOTE, IF YOUR AGENCY DOES NOT RESPOND TO THE REQUEST FOR PAYROLL DATA BY SEPTEMBER 7, 2009, YOUR EMPLOYEES' 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) or email Donna Muollo at [dmuollo@hdminc.com](mailto:dmuollo@hdminc.com). **DO NOT CONTACT PEIA.**

#### **The DEV**

To confirm eligibility of their dependents, employees will be required to provide documents such as birth certificates, marriage license, etc. Approximately thirty (30) days from the date of this letter, your PEIA-covered employees with dependents will be notified in writing of their responsibility to verify the eligibility of their dependent(s). The employees will have:

- A 30-day grace period during which they may voluntarily remove any person who is not eligible for the Plan's dependent coverage. PEIA will not question the changes made during the grace period and the employee will not be subject to future recovery of claim payments or referral to the appropriate legal authorities for investigation of insurance fraud. **NOTE: ALL EMPLOYEES MUST RETURN A SIGNED GRACE PERIOD AFFIDAVIT THAT WILL BE PART OF THE PACKET SENT TO EACH EMPLOYEE VIA USPS.**
- Thirty days to submit the documents for proof of dependent eligibility to HDM.

Approximately 35 days after the initial mailing, employees who have not submitted documentation will receive a reminder notice of the DEV deadline. Two weeks later, if these employees still have not submitted adequate documentation, they will receive a final notice that their dependent(s) will be removed from coverage. At this time, they will be notified of the DEV Appeal Process.

All communications that your employees receive from HDM about the DEV will clearly define who is an eligible dependent and what documentation is needed as proof of eligibility. If you choose to notify your employees of the upcoming DEV, please refer them to the Plan Year 2010 Summary Plan Description for eligibility information.

**EMPLOYEES WHO DO NOT PROVIDE APPROPRIATE DOCUMENTATION WILL HAVE COVERAGE FOR THOSE DEPENDENT(S) WITHOUT PROPER DOCUMENTATION TERMINATED.**

#### **BENEFIT COORDINATOR WEBINAR & WORKSHOP**

On August 11, 2009, more information regarding the ERA and DEV will be provided to the agencies receiving this letter. PEIA and HDM will host a "GoToMeeting" webinar to explain the processes and answer questions. Details for the meeting will be emailed to each agency's benefit coordinator by Friday, August 7th.

In addition, PEIA and HDM will provide more information on the ERA and DEV at the Benefit Coordinator Workshop scheduled for August 21 at Days Inn – Flatwoods, at 2000 Sutton Lane, in Sutton, WV, beginning at 9:00 a.m.

In the meantime, please refer to the list of Frequently Asked Questions (FAQs) at [www.wvpeia.org](http://www.wvpeia.org) under the "ERA/DEV" link, call HDM at 800-859-5119 (ext. 286) or email Donna Muollo at [dmuollo@HDMINC.com](mailto:dmuollo@HDMINC.com)

Thank you for your cooperation with this important review.

Sincerely,



Tanya Cyrus, RN, CMCN  
Manager, Healthcare Compliance and Quality Assurance

TC/tc

CC: Barbara Randolph, Benefit Coordinator Liaison