



ROSE & KIERNAN, INC.
INSURANCE, SURETY & BENEFIT SERVICES

Dependent Eligibility Verification

Mac DeHart

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Chapman Kelly - Profile & Experience

- Privately held, subchapter S corporation located in Jeffersonville, IN – Woman owned and operated.
- Company founded in 2001 by Partners Tony Schy and Mary Chapman
- Clients include over 30 Fortune 500 companies
- Dependent audit services represent over 80% of our revenues.
- Conducted Dependent Eligibility Verification since 2004
- Purpose-built, advanced technology platform:
MAX™

Definition

Dependent Eligibility Verification [di-**pen**-duhnt]
[**el**-i-juh-bil-ity] [ver-uh-fi-key-shuhn]
- *noun*

1. The process of ensuring that only eligible dependents are enrolled in your health and welfare plans.
2. What we are here to talk about.

Objectives

Cost Savings/Cost Avoidance

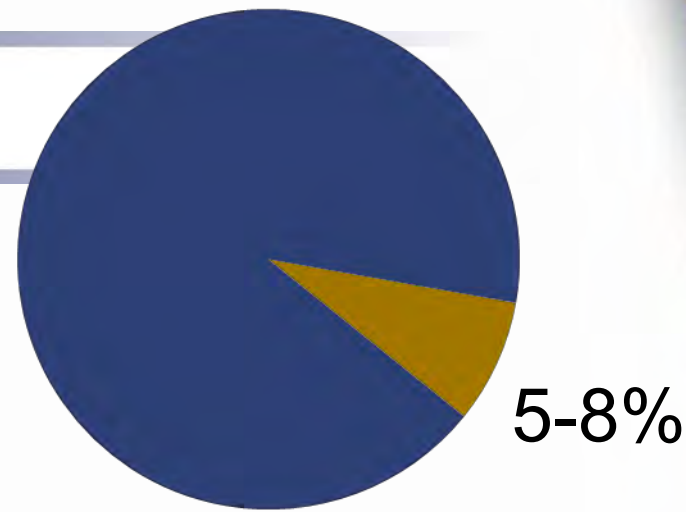


Compliance



Cost Avoidance

...can be significant



Dependents	Savings(5%)	Savings(8%)
100	\$15,000	\$24,000
250	\$37,500	\$60,000
500	\$75,000	\$120,000
1,000	\$150,000	\$240,000
2,500	\$375,000	\$600,000

Compliance

...responsibilities

SOX

ERISA



Employees and health plan members

Fiduciary Responsibility

Federal Laws

State Laws

Shareholders

Risk Management

Determining Your Approach



Documentation Approach

...has several variations

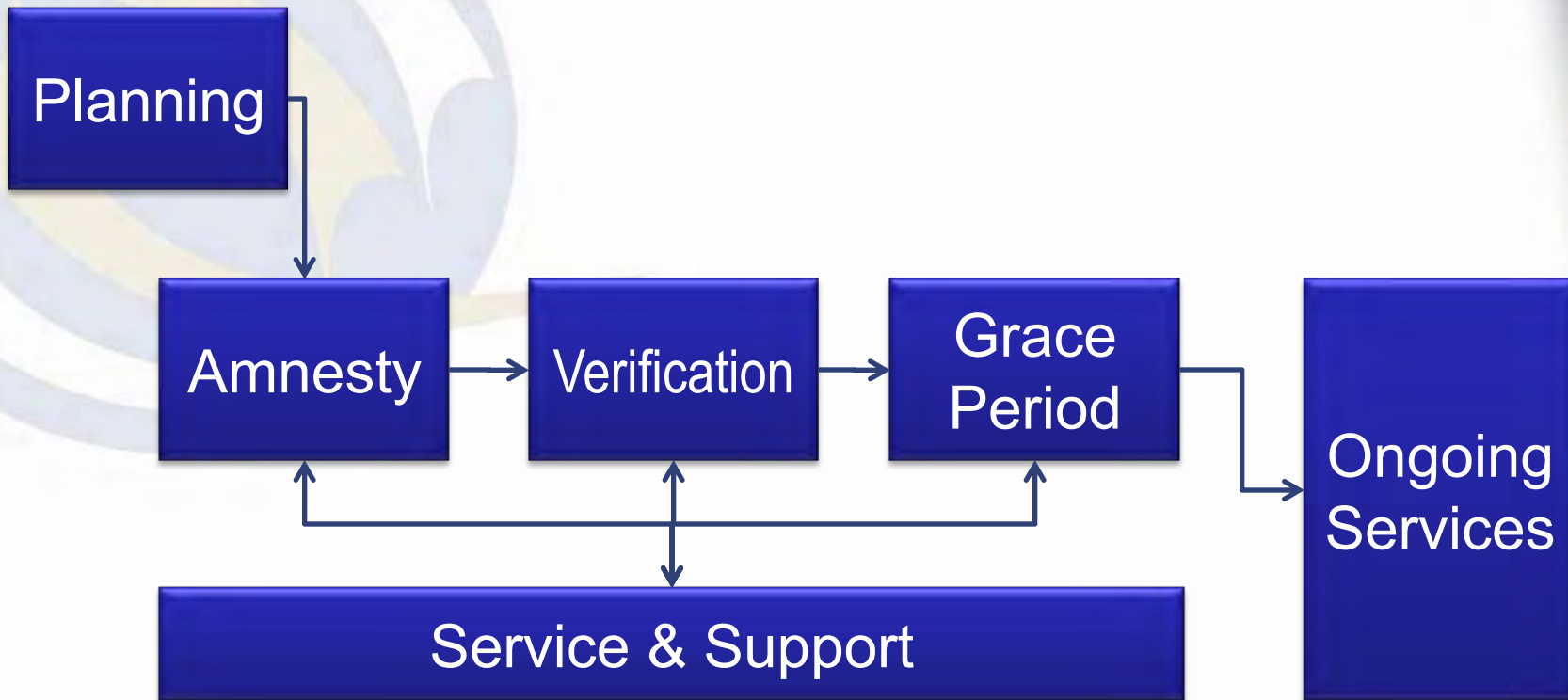


Approach: Pros & Cons

...*"you get what you pay for"*

Criteria	Affidavit (promise)	Documentation (proof)
Cost	↓	↑
Impact	↓	↑
Results	↓	↑
Timeline	↓	↑

The (Typical) Process



Timeline

...it's not a "quick hit" project

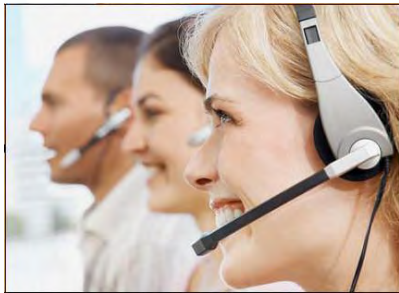
Overall 5-7 months

- 1-2 months Planning
- 1 month Amnesty
- 2 months Verification
- 1-2 month Grace Period



Employee/Customer Service

...comes through many channels



Communications



...are CRITICAL!

1. Newsletter
2. E-Mail
3. Voice Mail
4. Paychecks
5. Bulletin Board
6. Staff meetings
7. Intranet
8. Desk drops
9. Kiosks
10. Break rooms



Other Concerns

...require thoughtful consideration

1. Security/Privacy
2. Access to Sensitive Data
3. Volume: Mail (in & out), Calls
4. Storage/Scanning/Shredding

Documentation Requirements

	Spouse	Natural Child	Student	Adopted Child	Step Child
Marriage Cert.	✓				
Birth Certificate		✓	✓		✓
1040 Tax Form	?	?	?	?	?
QMCSO		?	?		?
Adoption Docs				✓	
Student Docs			✓		

✓ - Required Document

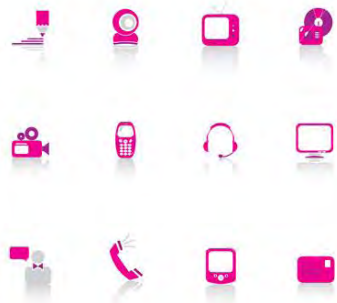
? - Optional Document

Your Involvement

- Gather data
- Establish audit parameters/definitions
- Document development & approval
- Communicate internally
- Resolve unusual situations
- Take action on results
- Implement appeals process

🔑 Keys to Success

🔑 Communications



🔑 Plan Carefully



🔑 Be Flexible



The Solution

DO

IT

YOURSELF

OR



How We Can

1. “Dependent Audit” In-A-Box
2. Full Audit Outsourcing
 - Customized Program
 - Basic Program



Proposal or Questions?

Following today's presentation, please refer any additional questions to Rose and Kiernan,
Attn: Bob Kuelzow @ 518-244-4227 or
rkuelzow@rkinsurance.com

Quick proposal turnaround...

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