



Case Study - Dependent Eligibility Audit

Small Group Achieves Big Savings from Dependent Eligibility Audit

Client Profile & Business Situation

A real estate company with 548 employees covering 1,137 dependents came to us to identify any enrollees who did not meet eligibility criteria so that they could remove them to comply with ERISA requirements.

Solution

- ✓ Utilizing experienced auditors, an in-house Call Center, and its proprietary AUDiT iQ™ software to manage the process, BMI customized an audit plan to meet the following objectives:
- ✓ Communicate the purpose of the audit, deadlines, compliance requirements, etc. to all employees with one or more dependents.
- ✓ Examine 100% of all eligibility records to identify covered employees with one or more dependents.
- ✓ Provide a customer service department with toll-free phone lines and bilingual staff.
- ✓ Compare plan eligibility requirements with documentation submitted.
- ✓ Securely collect and retain all verification documentation used to confirm eligibility.
- ✓ Identify all dependents currently enrolled who do not meet eligibility criteria.
- ✓ Report findings weekly and provide a final executive summary of results.

Dependent Eligibility Audit Results

- 22 dependents (1.93% of total) were determined to be ineligible, many of whom were enrolled as spouses but were ineligible because they were legally divorced, unmarried or failed to meet domestic partnership requirements.
- 7 dependents (.62% of total) were incomplete.
- 54 dependents (4.75% of total) did not respond to the audit request.

First Year Savings & ROI

Average annual cost per dependent:	\$3,500
Annual savings:	\$290,500
Return on Investment:	2,471%

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