iVB - OCV

# Introduction

ConSova Corporation (CSC) has delivered an effective cost containment solution for employers who have a Working Spouse Rule (WSR) provision in their benefit plan design. An employer who has a WSR has made a conscious decision to reduce the cost of spousal coverage by assessing a surcharge to employees who cover a spouse (SP) or excluding the spouse from employer plan coverage. The challenge for an employer who has a WSR is the lack of resources or know-how to verify whether their employee properly assessed the WSR. The employer is acutely aware their employees (EE) do not want to have their wages reduced or the spouse removed from the plan as this may cause a financial hardship for their employee. However, most plan fiduciaries are required to perform audits to verify the plan has proper oversight to ensure the plans rules are being adhered to.

While CSC has increased WSR participation 20%-25% using its current methodology there are opportunities to improve its current service offering. Below is a brief description of a few inefficient or ineffective aspects of the current service offering with a corresponding enhancement that can create process efficiencies, improved reporting, sustain the cost containment initiative and ultimately improve the resources for CSC.

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| Current Service Offering | Improvement Opportunity |
| 1. All communication is delivered to client employees via USPS | 1. All or most communications can be delivered immediately and effectively through company email |
| 1. Identifies 20%-25% additional spouses to participate in WSR but after engagement the participation rate rapidly drops w/o ER verification | 1. Offer a sustainable cost containment service model to ensure all spouses eligible for WSR remain in correct status. Re-verify spouse eligibility at their employer prior to changing WSR status |
| 1. The Spouse Benefit Verification (SBV) paper form completed by the employee, spouse and spouse’s employer contain errors causing CSC manual rework and quality concerns | 1. Make the form available on-line and dynamic. If form contains actual or suspect errors interactive form will ask additional questions to clarify EE, SP and Spouse’s Employer (SPER) responses. |
| 1. Employee spouses have to fax or deliver form to their HR manually | 1. Allow employee spouse to email form directly to HR for processing |
| 1. Once project is completed, clients don’t always want to continue WSR administration because it is perceived to be very manual, expensive and unnecessarily burdens the employee and spouse. | 1. Design process to ease employer concerns re: employee burden and educate clients on lost savings when administration ceases. Make fees appear lower by offering on a PMPM basis for spouses who have a WSR under a long-term agreement. |
| 1. Cannot be offered as a SaaS | 1. Redesign and engineer application that could deliver as a SaaS |

# Working Spouse Rule Types

There are three main types of WSRs as described below:

Surcharge

By far this is the most common WSR. Essentially the employer is looking to achieve savings in two ways: (i) have the employee contribute to the increased cost of spousal coverage by having additional withholdings from employee wages or (ii) deter the employee from enrolling their spouse.

In many cases the employers who use this WSR plan design have one or more conditions that may need to be met before the surcharge will apply. Here are some examples of those conditions:

* Spouse is employed and their employer offers sponsored healthcare coverage;
* Spouse is a full-time employee;
* Spouse cost of coverage deducted from their wages is comparable;
* Spouse maximum out-of-pocket costs are comparable;
* Spouse is eligible but not enrolled in their employer sponsored plan;

Here are some conditions where a spousal surcharge will not apply:

* Spouse is not employed;
* Spouse is self-employed;
* Spouse and employee is employed with the same company or organization;
* Spouse is not eligible to participate in an employer sponsored healthcare plan;
* Spouse is enrolled in their employer sponsored healthcare plan;
* Spouse is enrolled in Medicare, Medicaid, Tricare or Tribal Insurance;
* Spouse is only enrolled in a mini-med plan;
* [TBD] Spouse is enrolled in a government funded ACA plan;

While the example conditions above are common there will be other conditions as employers and consultants create specific conditions to meet a particular client need.

Exclusion

This WSR intent is to remove any spouse from the plan that meets certain conditions. These conditions will vary in similar fashion as described in the Surcharge WSR. This offers the highest cost savings opportunity for all WSRs but it is very unpopular with employees and HR friendly companies and organizations.

Mandatory Enrollment

This WSR simply states the spouse must enroll in their employer plan (if eligible) before the employee can enroll the spouse. The savings obtained from enforcing this rule is based on the order of benefits. If the spouse is the subscriber by being enrolled in their employer plan and is a dependent under another plan then the plan they are enrolled in as a subscriber will be primarily obligated to pay the larger portion of the cost, while the secondary plan will incur substantially lower costs.

# Data Requirements

To enhance the process by using email and getting direct feedback from client employees, their spouses and the spouse’s employer we will need the following fields from our clients:

* Employee First Name
* Employee Last Name
* Employee Last 4 of SSN
* Employee DOB
* Employee Phone
* Employee Company Email Account
* Employee Address
* Spouse First Name
* Spouse Last Name
* Spouse DOB
* WSR Flag (indicates whether surcharge is or isn’t currently being assessed)
* Exclusion Flag (any employee or group of employees who should be excluded from verification)

During the processing we may be asking one or more of the questions to be responded to by the EE or SPER that will help us verify whether conditions exist to apply the WSR (See conditions on 2. Working Spouse Rule Types – Surcharge). As each client’s plan provision for their WSR is different, we will need to be able to configure those questions upon implementation and depending on client plan design the system should account for the completed responses from the EE and SPER and automatically be able to determine if (i) WSR applies; (ii) WSR does not apply and (iii) OCV process requires further investigation to determine WSR eligibility/status.

In addition to capturing responses to inquiries on the spouse’s current status/conditions, we will need to capture the following data from the EE, SP and SPER:

* Employee Electronic signature and confirmation agreement to terms and conditions
* Employee entry of spouse’s company email account
* Metadata on time/date employee sent completed Spouse Benefit Verification (SBV) form to spouse’s email account
* Acknowledgement from spouse that CSC may contact their employer to verify benefit eligibility (HIPAA Authorization and Release)
* [From either Spouse or Spouse’s employer] Name of Spouse’s Employer (SPER)
* [From either Spouse or Spouse’s employer] Name of SPER Benefit Contact Person
* [From either Spouse or Spouse’s employer] Title of SPER Benefit Contact Person
* [From either Spouse or Spouse’s employer] Phone Number of SPER Benefit Contact Person
* [From either Spouse or Spouse’s employer] Email of SPER Contact Person
* Spouse’s Electronic signature and confirmation of agreement to terms and conditions
* Metadata on time/date Spouse sent Spouse Benefit Verification (SBV) form to SPER email account
* [From SPER Only] Conditions requiring verification to determine applicability to WSR
* [From SPER Only] Verification that information provided by Spouse about their name, title, phone and email are correct.
* Meta data on time/date SPER sent completed Spouse Benefit Verification (SBV) form to CSC
* [Need to think of data required from clients, employees, spouses and SPER to administer after initial OCV, term files, elig files, etc.]

# Client Configuration

Each client can have one of the three types of WSR for all employees or a group of employees. They may also have more than one group with a different WSR with a different set of conditions. [I believe this is the case for Ahold.] This occurs as companies acquire another company that has a WSR and chooses to not make any changes to their newly acquired company.

CSC staff will need to select which set of employees are subject to which WSR and each condition that applies. Ideally we want to be able to handle the administration of many WSRs under one employer client.

Depending on the configuration the following would change: (i) Communication content in the emails, (ii) questions posed to the employee and SPER to determine WSR application, (iii) adjudication rules to determine whether a CSC Associate needs to apply further investigation or the case can close without a second review.

CSC staff should be able to pre-determine or adjust the date that email notifications should be sent to employees, any reminder emails on a specific date depending on who is required to respond next.

CSC staff should be able to upload client and CSC logo that should be included in email chains.

CSC staff should be able to provide helpful and required content for each emailed communication:

* Initial email to client employee
* EE opt out of OCV and simply has the WSR applied w/o further review
* SBV hardcopy form (paper option) in case employee or spouse opts not to have spouse emailed for further processing
* Email confirmation sent to employee if their employee section is complete indicating the form was sent to [spouse@abccompany.com](mailto:spouse@abccompany.com) or they elected the paper option (note: if paper option is selected by employee, we will need to send reminder emails to employee if we have not received completed SBV form – emails below will not apply if this is the case)
* Reminder emails to employee or employee/spouse or employee/spouse/SPER depending on which party is holding the SBV form
* Notification sent to employee for any rejected emails sent to SP or SPER will prompt employee to take action and instructions on how to resolve undeliverable email
* Initial email to spouse
* Email confirmation sent to employee and spouse when spousal section is complete indicating the form was sent to [SPER@abccompany.com](mailto:SPER@abccompany.com) or they elected the paper option (note: if paper option is selected by spouse, we will need to send reminder emails to employee and spouse if we have not received completed SBV form – emails below will not apply if this is the case)
* Email confirmation sent to employee and spouse when SPER has submitted their response
* Email advising employee all information is received but is pending (need to verify further information)
* Email advising employee disposition on whether surcharge applies or does not apply indicating why or why it doesn’t apply. This communication should allow employee to edit their response if the deadline has not passed.
* Final email letting those respondents know the deadline has passed, what the WSR application result is and if they have any questions to follow specified instructions.
* Any and all pop-up disclaimers requiring acceptance of terms and conditions from the EE and SP

# Business Process

1. Client employee is sent an email explaining: why they received the email, importance for having their cooperation and response, WSR plan provisions and place/location to respond
2. At some point we request the following from the employee:
   1. Ask if their spouse is currently employed
      1. If answer is Yes then proceed with next question.
      2. If answer is No then display a disclaimer and let them know if their employer or ConSova determines through other means that their spouse is or becomes employed they are required to update this information immediately or the WSR may be applied retroactively. Obtain electronic signature and send confirmation email explaining their response and their responsibilities and close case.
   2. Ask if their spouse is currently self-employed
      1. If answer is No then generally proceed with next question [only know of one employer who assesses WSR to self-employed spouses]
      2. If answer is Yes then display a disclaimer and let them know if their employer or ConSova determines through other means that their spouse is or becomes employed they are required to update this information immediately or the WSR may be applied retroactively. Obtain electronic signature and send confirmation email explaining their response and their responsibilities and close case.
   3. If case remains open after the first two questions then request employee to provide spouse’s work email address to continue on-line processing. Explain the benefits of online processing where the employee will receive real-time notifications of progress, etc.
   4. Ask if their spouse is employed with their employer (couples working for same employer)
      1. If answer is Yes then display a disclaimer and let them know if their employer or ConSova determines through other means that their spouse is or becomes employed at another company or organization they are required to update this information immediately (need to explain how they can update during this process and in the future – this can also be communicated in the email confirmation) or the WSR may be applied retroactively. Obtain electronic signature and send confirmation email explaining their response and their responsibilities and close case.
      2. If answer is No then proceed with:
         1. Taking an electronic signature of employee
         2. Request the employee to provide the work email address of their spouse
         3. If the employee does not want to release the email address of the spouse then we will need to provide a pre-filled SBV form easily available on-line for them to hand their spouse (need to think about redesigning SBV form to allow SPER to login with a code to fill out form vial on-line form if they wish)
   5. Assuming the EE provides the SP email address, SP will receive an initial email letting them know their Spouse’s (our client EE) Employer is conducting a verification of benefit eligibility information at their employer (SPER). We need them to perform the following:
      1. Authorize CSC to contact their employer to verify their benefits eligibility (aka HIPAA Authorization Release)
      2. At a minimum provide the following:
         1. The name of the person at their company who is allowed to make benefit eligibility determinations.
         2. The email of the individual at the company who assists employees with benefit questions
         3. The phone number of this person
         4. The name of their company
         5. Note: we need controls on fields to detect any data entry errors
      3. If they can’t provide the above information, then advise the SP they can print off an SBV form available on-line and have it sent to CSC prior to the deadline otherwise the WSR will apply.
      4. If they do provide this information, then SP will be provided disclaimer indicating that if information is false or incorrect it may affect their spouse’s benefits by having the WSR applied. Allow for a pop-up of the information they provided to allow for them to verify accuracy. We also need to advise the SP that if either their employer or their outsourced benefits administrator does not cooperate with the HIAA Authorization Release to verify benefits then their spouse (EE) will have the WSR applied [This could be a configuration point where clients don’t want to assess WSR if SPER/BA (Benefits Administrator) does not cooperate – but we want to know who these SP’s are so we can invoice as PMPM fee]. If SP confirms accuracy then email will be sent to SPER otherwise SP will be allowed to edit until it is corrected. The SP should be copied on the email sent to the SPER and an email should be sent to the EE letting them know their spouse has completed their portion and the initial attempt to contact the SPER has been made.
   6. Assuming the email is delivered to the SPER, SPER will receive an initial email letting them know their employee has authorized CSC to verify eligibility for their employee (SP). Other information may be documented in the email as seen fit to improve user acceptance. For Example: we will need to site the HIPAA law reference that indicates that a covered entity or their business associate may be permitted to disclose Protected Health Information (PHI) if the individual has authorized the release of PHI.
      1. This first step is to ask SPER if the information provided by SP (their employee) is correct. If SPER selects Correct then proceed to next step. If SPER selects Incorrect the ask them to update the information [please make sure we keep the data provided by SP in case SPER updates info in an attempt to avoid future SBV inquiries]
      2. The next steps are to prompt the questions applicable to the client’s WSR plan provisions. These questions will depend on what was selected in the client configuration. [Many times SPER’s answer these questions incorrectly because they respond to them according to their context. We will need to create a separate section on what additional questions should pop-up to get further clarification from SPER’s to make sure the on-line SBV form is answered correctly. This is an important configuration as it ensures we get the best possible information so CSC staff do not have to call SPER to get additional clarification. This also plays into the SaaS model.]
      3. Once all questions have been responded to and there are no further follow-up questions then we will ask the SPER to submit their response.
         1. The SPER can be asked if they want to receive a confirmation email of their response sent to them.
            1. If so, then system will generate an email letting them know they have responded on their employee’s (SP) behalf
         2. [Version 2 or 3 – We can ask SPER if they would like to set-up an account with CSC to respond to multiple inquiries on-line rather individual employee benefit eligibility verification inquiries in the future.]
      4. If SPER selects they are not the appropriate person to make these eligibility determinations then,
         1. We ask for the appropriate contact information (as requested by SP above)
         2. If all information is complete, we need to send email to EE and SP letting them know that the SPER has provided updated contact information who will be responding to further inquiries about benefit verification.
            1. The EE will be advised of this change of information and that the case is still open and remind EE of deadline.
            2. The SP will be provided details about the updated information and will require the SP to authorize CSC to communicate with this party regarding their benefits before further action can be taken. If no action is taken by SP, then case remains open and if remains open past deadline then the WSR will apply.
         3. If SP authorizes CSC to communicate with updated party then
            1. All steps in 2 (f) (i) (ii) (iii) above will be repeated with updated SPER contact.
      5. If all information is gathered and all required responses have been obtained from EE, SP and SPER/BA
         1. Email is sent to EE informing them:
            1. The process is complete
            2. The result of whether the WSR applies or not [not sure if we want to describe reason such as: all conditions have been met, SP or SPER/BA is unresponsive, etc.)
            3. If they feel the result is incorrect, they can appeal this by sending an email to CSC at [employeehelp@consova.com](mailto:employeehelp@consova.com) and describe the reasons why they feel the WSR application is incorrect.