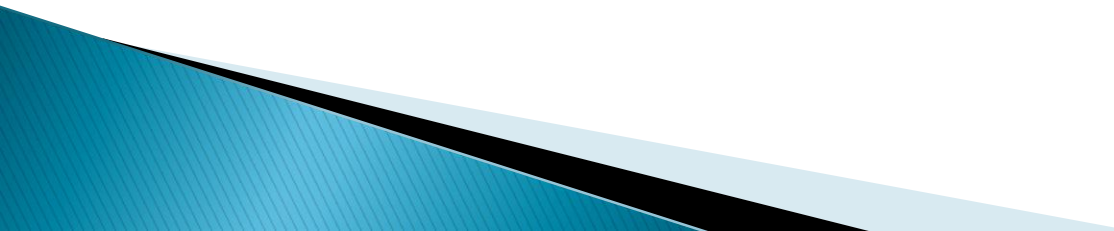


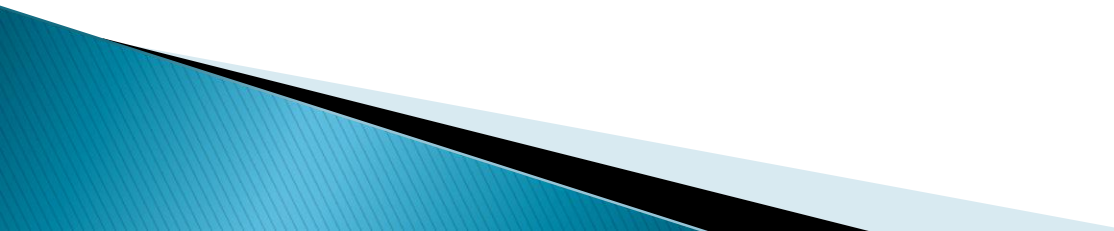
Health Insurance Dependent Eligibility Audit

August 13, 2013

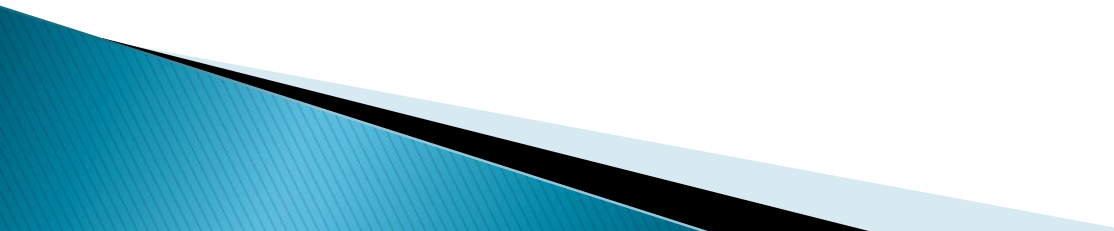
Why is the City conducting the audit?

- ▶ “An Act Relative to Municipal Health Insurance” became law on July 12, 2011 (Chapter 69 Acts of 2011.)
 - ▶ Part of the Act states that governmental employers must conduct an enrollment audit no less than once every 2 years.
 - ▶ There is no change in the eligibility requirement for dependents. This audit is just confirming that all dependents meet the already existing requirements.
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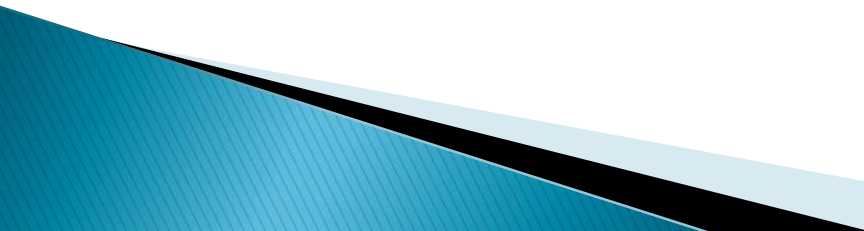
Who will be audited?

- ▶ All active employees and retirees who are currently covering dependents.
 - Employees/Retirees who are not currently covering dependents will not be audited.
 - ▶ All surviving spouses who receive health insurance coverage.
 - ▶ The audit includes employees/retirees of the City of Boston, Boston Public Schools, the Boston Public Health Commission and the Boston Water & Sewer Commission.
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Timeline for the Audit

- ▶ Early September 2013 – Initial verification Letter & FAQ Sheet
 - ▶ Late September 2013 – Reminder Letter
 - ▶ Mid–October 2013 – Deadline for employees/retirees to respond to audit and all have all documents verified by HMS
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Why did the City hire HMS Employer Solutions to conduct the audit?

- ▶ HMS Employer Solutions is the leader in conducting “Dependent Eligibility Verification Audits”...
 - 97% response rate–Proprietary Process and IT
 - Expertise in verifying documents–Verified over 3.0 Million Dependents
 - Extensive Massachusetts experience
 - Knowledgeable of laws and regulations
 - Has experience auditing other Massachusetts public sector groups (Haverhill, Foxboro, MIA and CCMHG)
 - Operations center in Charlestown, MA
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Who is an eligible dependent?

Spouse

- ▶ Your legal spouse
- ▶ Your former spouse; in the event of a divorce or a legal separation.
 - Your former spouse will remain eligible for this coverage only until you are no longer required by the judgment to provide health insurance for your former spouse or you remarry or your former spouse remarries, whichever comes first. Former Spouses are no longer eligible for coverage upon the employee/retiree's death.
- ▶ A surviving spouse; in the event of death of the employee/retiree.
 - A surviving spouse will remain eligible for this coverage as long as they were legally married to the employee/retiree at the time of death and have not since remarried.

Who is an eligible dependent? (cont.)

Child(ren)

- ▶ Your or your spouse's *child* under age 26.
- ▶ **A disabled dependent child age 26 or older.**
 - A dependent child who is mentally or physically incapable of earning his or her own living and who is enrolled under the subscriber's group membership will continue to be covered after he or she would otherwise lose dependent eligibility under the subscriber's group membership, so long as the child continues to be mentally or physically incapable of earning his or her own living.
- ❖ **Definition** – A *child* is defined as your biological child, a step– child, an adopted child, a newborn infant of an enrolled dependent child, a dependent child under the age of 26 for whom you have legal guardianship and qualifies as a dependent under the Internal Revenue Code, or a child recognized under a Qualified Medical Child Support Order as having the right to enroll for health care coverage.

What types of documentation will employees be required to submit?

SPOUSE:

- ▶ A photocopy of your certified marriage certificate (church or Justice of the Peace copies are not sufficient).
And one of the following
- ▶ A photocopy of the front page of your 2012 state tax return (same sex spouse) or federal tax return (opposite sex spouse) confirming this dependent is your spouse.
Or
- ▶ A document dated within the last 60 days showing current relationship status such as a recurring monthly household bill or statement of account. The document must list your spouse's name, the date and your mailing address.

FORMER SPOUSE:

- ▶ A copy of the front page of your 2012 state tax return and your former spouse's 2012 state tax return indicating you both have filed single.
And
- ▶ A copy of your divorce decree including the settlement agreement. The document must include the parties involved, the date of separation/divorce and the section referring to health insurance for the former spouse.

What types of documentation will employees be required to submit? (cont.)


SURVIVING SPOUSE:

- ▶ A copy of the front page of your 2012 state tax return indicating you have filed single.


FOR CHILDREN and DISABLED CHILDREN:

- ▶ A copy of the child's birth certificate or adoption certificate naming you or your spouse as the child's parent (the hospital birth announcement is not sufficient)
Or
- ▶ A copy of the court order naming you or your spouse as the child's legal guardian.

IMPORTANT NOTES:

- ❖ Employees/Retirees should submit **Photocopies** of documents. Original documents should not be submitted and will not be returned.
 - ❖ All required documents **MUST** include date and/or year and all applicable dependent names.
 - ❖ On tax forms, please black out Social Security number, as well as any income information.
 - ❖ Note for a step-child: If you are covering a step-child you must also provide documentation of your current relationship to your spouse as requested above.
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HMS Customer Service

- ▶ Dedicated Customer Service call center for the City of Boston Audit. USA Based Call Center.
 - ▶ Customer Service Representatives have at least 3 years of audit experience.
 - Representatives will be trained specifically on the audit process for the City of Boston.
 - ▶ If employees have complex situations or have issues obtaining documents, the customer service representatives can assist them throughout the entire process.
 - The goal is to assist employees/retirees during the process to prove dependents are eligible, not to try to prove they are not eligible.
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How do employees/retirees submit their documentation?

- ▶ Documents must be submitted directly to HMS Employer Solutions along with the completed verification form on the reverse side of the verification letter.
 - Documents should not be submitted to the City's Health Benefits Office.
- ▶ Employees/Retirees may submit their documents as follows:
 - By U.S. postal service using the provided envelope with pre-paid postage
 - By Fax
 - By uploading scanned documents to the secure website that HMS will create for the City of Boston audit.

Custom Website & Portal

Access to information 24/7

Look up status

Review FAQs

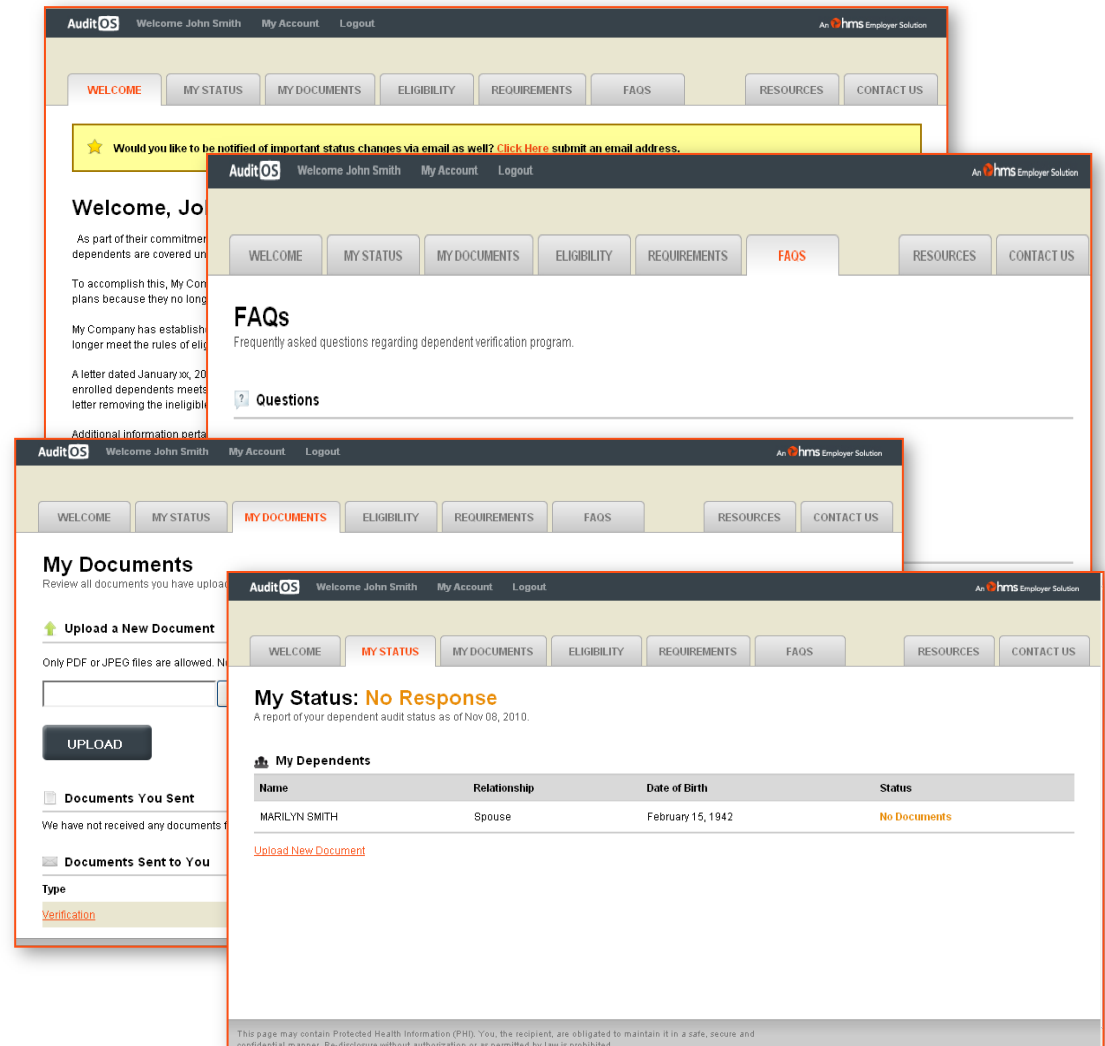
Review eligibility rules

Determine where to source documents

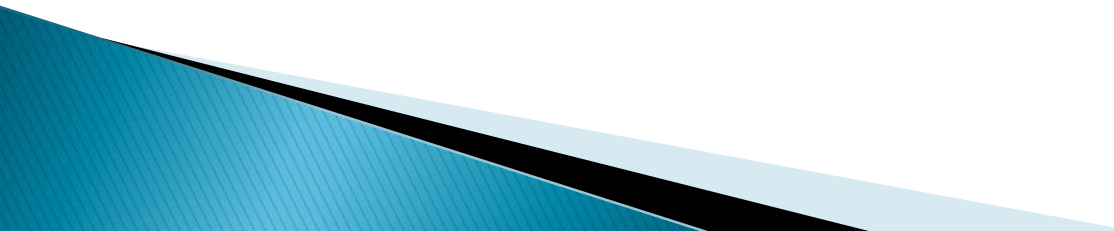
Ability to ask questions

Document upload

Copies of communications



Secure In-House Mail Center

- ▶ Badge Access and Controlled
 - ▶ 24-7 Video Surveillance
 - ▶ All Documents are Imaged In-House
 - ▶ Source Documents are Securely Stored
 - ▶ Confidential Document and Data Disposal
 - ▶ ALL mail, faxes, voice communications are handled by HMS in our office. We do NOT outsource or offshore any of these functions.
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Privacy & Security

Protecting your privacy and personal information is a priority for HMS. We are committed to keeping sensitive information secure.

Fully HIPAA compliant

Third party security audits performed regularly

Data backups stored in a bonded and secured offsite vault

Extensive background checks

IT security measures consistently updated

State of the art firewall

Regular system log audits

Secure facility with badge access

Surveillance cameras

Extensive background checks

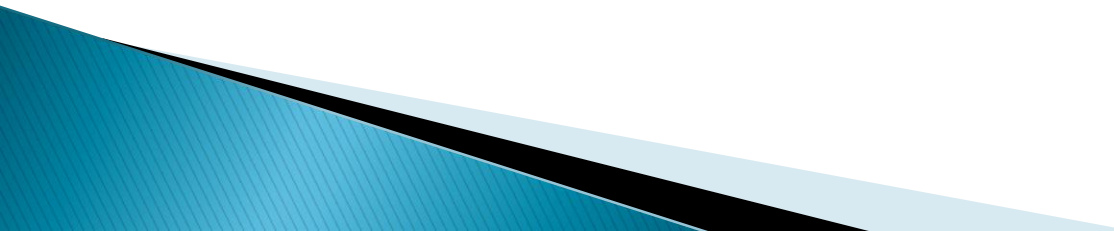
Call center reps' activities are restricted



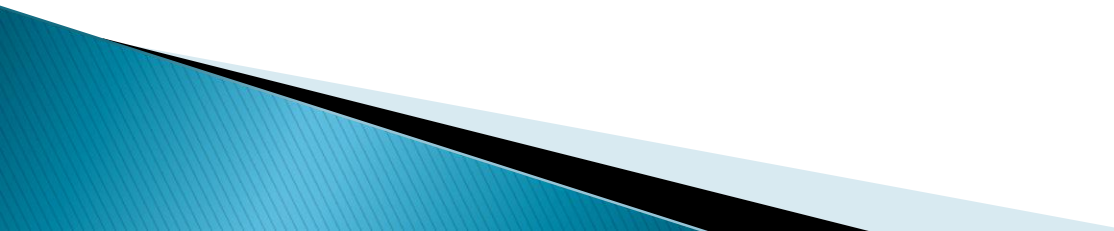
How will employees/retirees know that they have successfully completed the audit?

- ▶ Once documents have been submitted and HMS has verified them, employees will receive communications as follows:
 - **Confirmation letter** – all documents have been received.
 - **Partial confirmation letter** – documents have been received but some information is missing.
 - **Termination letter** – for dependents that have been voluntarily removed from coverage by the employee/retiree.
- ❖ Employees may also log into the HMS web portal to check the status of their submission

What happens if the City finds that an employee/retiree was covering someone that was not eligible for coverage?

- ▶ The City of Boston believes that most, if not all employees are not intentionally covering dependents that they should not be covering.
 - ▶ If it is found that a dependent is not eligible for coverage, the dependent will be removed from the health plan at the end of the audit.
 - ▶ The employee/retiree will not face any disciplinary or financial consequences in these situations.
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How is the City Communicating the Audit to employees/retirees?

- ▶ Emails to Personnel Officers
 - ▶ Postcards mailed to homes prior to audit
 - ▶ Note on paychecks
 - ▶ Posting on the HUB
 - ▶ City Website (HR and Retirement pages)
 - ▶ Broadcast Emails
 - ▶ *The Voice* Massachusetts Retiree Newsletter
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How you can help us

- ▶ Union Leaders and PEC Members have direct access to their members. You can support our efforts by:
 - Posting information on your Union website or in your Union newsletter.
 - Communicating the details of the audit at Union member meetings.
- ❖ It is very important that employees/retirees understand the importance of responding to the audit. No response will result in termination of health insurance for covered dependents.

Questions & Answers

