



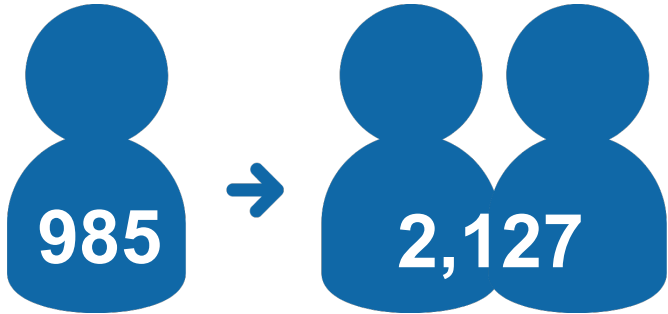
# Dependent Eligibility Verification Audit

August 8, 2024 UPDATE

## Presenters:

Rey Guillen, *Chief Operating Officer*  
Olga Stavinskaya-Velasquez, *Operations Manager*

# 2024 DEVA Pilot Highlights

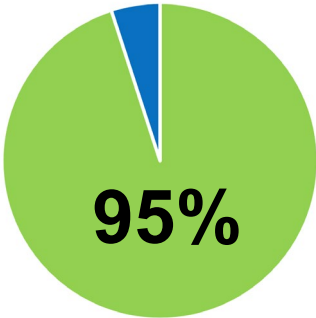


**Population audited:**

**Members:** 985

**Dependents:** 2,127

**Excluded:** San Francisco Unified School District employees and employees with Adult Dependent Children were excluded from this audit.



**Duration of the audit:**

**Compliance:** April 1st - April 30th

**Processing:** May 1st - May 17th

**Terminations:** June 7th

**Appeal period:** June 7th - August 6<sup>th</sup>



**Results:**

**Compliance Rate:** 95%

**Annual Savings:**

\$ 417,434.42

# What is a DEVA?

**Background:** A **Dependent Eligibility Verification Audit (DEVA)** is the process of re-verifying the eligibility of dependents enrolled in health and/or dental benefits provided by the San Francisco Health Service System (SFHSS). It is an industry standard among health plan administrators in order ensure that benefits are only provided to eligible dependents.

**Governing rules:** To ensure only eligible dependents are enrolled in employer-sponsored health benefits, Section E of the SFHSS Rules provide for the re-verification of eligibility of dependents by SFHSS.

Failure to comply with the audit results in the termination of the health/dental benefits of the dependent. This includes loss of coverage for any dependent children covered under an ineligible spouse or domestic partner.

**Why we conduct the audit:** SFHSS conducts the DEVA to make sure that only eligible dependents receive health benefits. These audits help keep the costs related to health care premiums sustainable. Coverage of people who are not eligible puts health plan administrators and all eligible employees at financial risk.

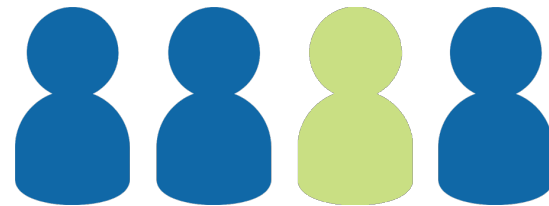
# DEVA History

**2018 DEVA:** The first DEVA conducted by SFHSS was completed with the use of an outside vendor. The whole HSS population was audited but challenges came up around vendor location and the inconsistent compliance documents. Due to these challenges the next audit was completed in-house.

**2022 Retiree DEVA Pilot:** The Retiree DEVA Pilot was completed in-house, a population of 634 retiree dependents was audited. This audit streamlined the acceptable dependent verifications, identified necessary member communications and resources, and tested our internal systems for administering the audit.

**2024 Active Employee DEVA Pilot:**

The 2024 DEVA Pilot audited active employees' dependents, including spouses, registered domestic partners, and children. The lessons learned from the 2022 Retiree DEVA Pilot were used to inform the process in the following areas: member communication and support, acceptable verifications, and needed system resources. This audit also informs the department on the administrative cost of running this audit in-house vs. contracting out and the population that can be handled by either option.

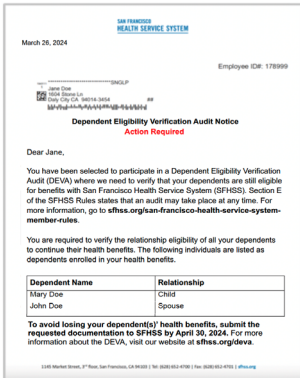


# 2024 DEVA Letter Timeline

## MARCH

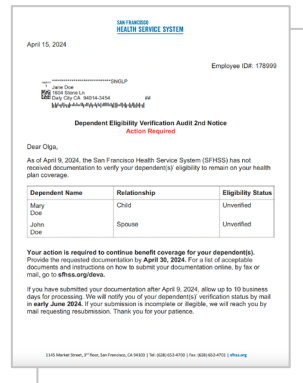
### Letter 1: Notification Letter

The first letter served as a notice of the audit. It included compliance information for online submissions, a DEVA List of Acceptable Documents, and a coversheet for fax or mail verifications.



## APRIL

### Letter 2A: Notice of Insufficient Documentation

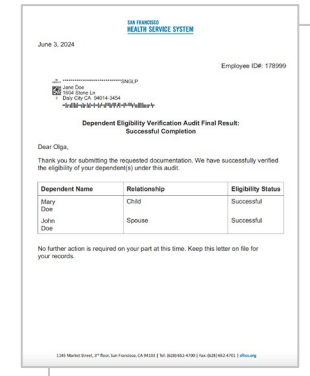


### Letter 2B: Reminder Letter

Sent to members who did not attempt to submit any verification.

## MAY

### Letter 3A: Successful Completion Letter

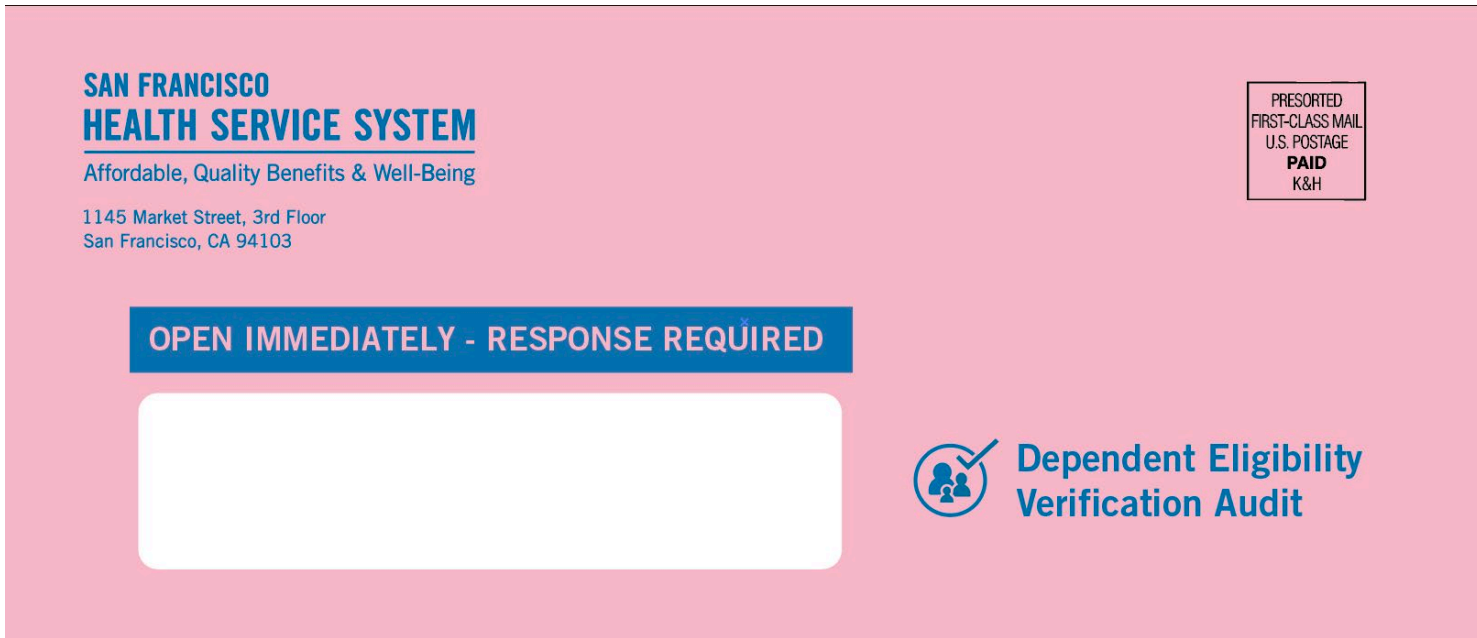


### Letters 3B and 3C: Termination of Coverage

These were sent to the members who did not respond or failed to provide acceptable/legible verifications for their covered dependent(s).

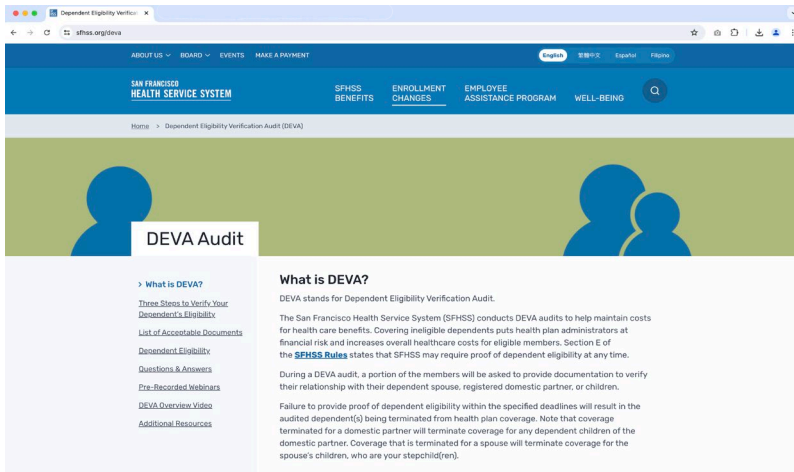
# DEVA Envelope

A custom-designed pink envelope was created to catch Member's attention.



# Member Communications Channels

**Member Education:** The dedicated DEVA web page served as a hub for members to access information that included detailed instructions and Questions and Answers. Members were encouraged to respond online using *eBenefits*.



[sfhss.org/deva](https://sfhss.org/deva)

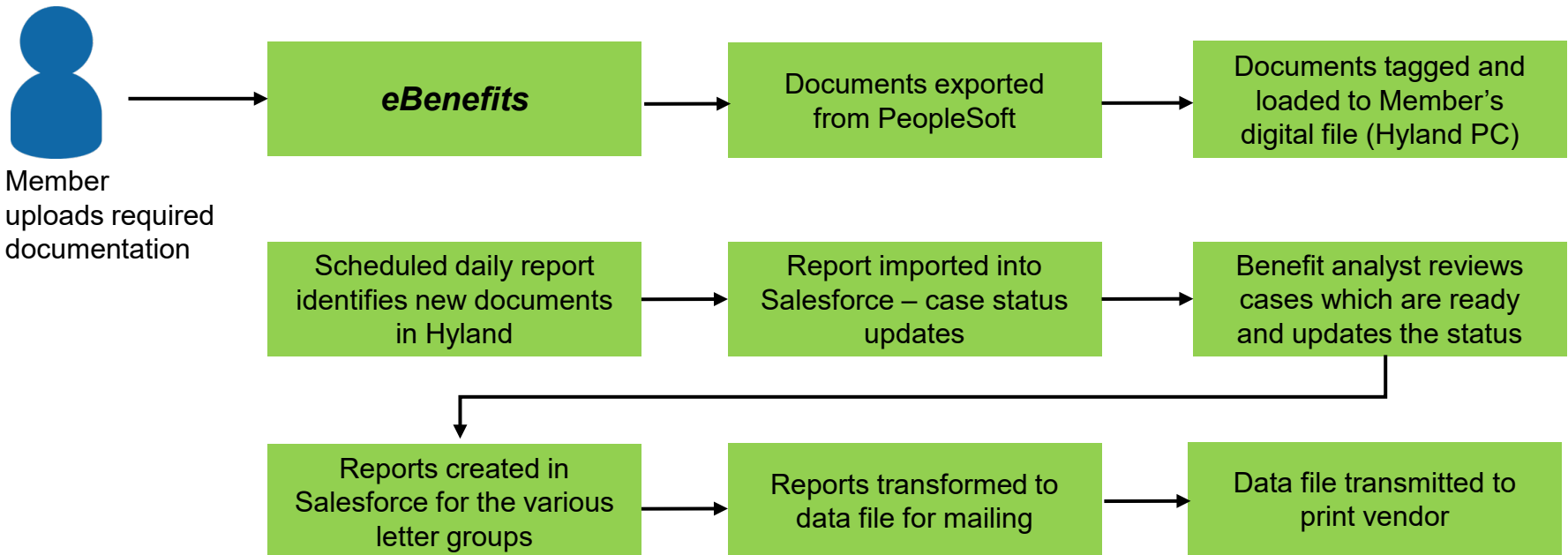
**Member Resources:** The resources comprised of print and digital materials to help members review, gather and submit their verification documentation or drop their ineligible dependent online, by fax or mail. Recorded webinars walked members through the login process, how to upload documentation, or drop an ineligible dependent online.



# DEVA – Systems Solutions

## Key Systems utilized by SFHSS

- PeopleSoft – Benefits administration system - member touchpoint is **eBenefits**
- Salesforce – Case management system used to track member issues / DEVA cases
- Hyland Perceptive Content – Stores members’ digital files





# DEVA Audit Results

## Compliance by Dependent Category

### Children



98%

### Spouses



91%

### Domestic Partners



78%

## Overall Compliance Data

### Response—Dependent Level Data



2,056

Total Responses

97%

Response Rate

### Compliance—Dependent Level Data



2,023

Total Dependents

95%

Dependent Rate

104

Dependents' coverage terminated

### Compliance—Member Level Data



898

Total Members

91%

Members Rate

# 2024 DEVA Pilot Operations Dashboard

## Member Services

### Call Volume



**674**  
Calls handled

### Average Handle Time



**10.83**  
Min

### Staffing Allocation



**3**  
Dedicated FTEs  
*(1210 Benefit Analysts)*

**1**  
Supervisor  
*(1813 Sr. Benefits Analyst)*

### Document Submission Method



**77%**  
eBenefits

**23%**  
Fax, Mail, In-Person  
Drop-off

### Dependent Records Reviewed



**1,270**  
Total records reviewed  
for dependent child  
compliance

**799**  
Child found to be  
compliant

### Documents Processed



**1,494**  
Total documents  
submitted

**1,317**  
Documents  
submitted timely

# Audit Results

## Financial Savings Comparison

	2024 Pilot Actives	2022 Pilot Retirees	2018 Total Population
Monthly Savings	\$ 75,370.10	\$ 7,132.33	\$ 233,333.33
Annual Savings*	\$ 417,434.42	\$ 85,587.96	\$ 2,800,000.00
Per Person / Annual	\$ 4,052.76	\$ 4,075.62	\$ 3,465.35

Per person savings decreased in 2024 because the audit was expanded to include all dependents. Ineligible dependents could be disenrolled from coverage while the coverage tier / premium remained unchanged.

\*2024 Rates annualized

# Audit Challenges and Next Steps

## Challenges

- Member education
- Timing of letters to confirm compliance
- Adequate staffing to audit a larger population
- Electronic member communication

## Lessons Learned

- Streamlined verification documents
- Samples of verification documents for member education
- Electronic communication works to educate members

## Next Steps

- Administrative cost analysis for a larger audit population
- Potential 2<sup>nd</sup> Level Appeal



# Appendix

# Appendix A: Communications to Members

**Total number of DEVA-related calls: 674**

## **DEVA Letters Sent**

- Letter 1 – DEVA Notification Letter: 985
- Letter 2A – Notice of Insufficient Documentation: 255
- Letter 2B – DEVA Reminder Letter: 670

## **Letter 3\***

- Letter 3A – Disposition Letter – Successful: 808
- Letter 3B – Disposition Letter – All Dependents Noncompliant: 73
- Letter 3C – Disposition Letter – Mixed Compliance: 97
- Letter 3A.1\*\* -- Updated Disposition Letter – Successful: 88

## **Email Sent\*\*\*: 154**

\*The disposition letters went out on 5/28 with a data pull on 5/17. Three versions of letters went out to account for members who complied with the audit, those who failed to comply and those who partially complied.

\*\*An updated disposition letter was sent out on 7/10 to members who complied after the termination date 6/7.

\*\*\*Emails were sent to the members who failed to comply as of 5/17.

# Appendix B DEVA Audit Results:

## Provided 3 Ways

Dependent Relationship	Total	%
Children	1,383	65%
Successful	1,352	98%
Unsuccessful	31	2%
Spouses	689	32%
Successful	628	91%
Unsuccessful	61	10%
Domestic Partners (IRS Dependent)	36	2%
Successful	31	86%
Unsuccessful	5	13.9%
Domestic Partners (non-IRS Dependent)	19	1%
Successful	12	63%
Unsuccessful	7	36.8%

Table 1: Compliance Status within Dependent Categories

Compliance Status (Dependent Level)	# of Dependents in Status	% of Deps in Status
Excused	3	0.1%
Incomplete	32	2%
Successful	2,020	95%
Under Review	1	0.05%
Unverified	71	3%
Grand Total	2,127	
<b>Response Total/ Rate</b>	<b>2,056</b>	<b>97%</b>
<b>Completion Total/ Rate</b>	<b>2,023</b>	<b>95%</b>
<b>Dependent Terminations Total/ Rate</b>	<b>104</b>	<b>5%</b>

Table 2: Compliance Results by Across all Dependents

Compliance Status (Member Level)	# of Members in Status	% Members in Status
Complete	895	91%
Excused	3	0.3%
Incomplete	31	3%
Under Review	3	0.3%
Unverified	53	5%
Grand Total	985	
<b>Response Total/ Rate</b>	<b>932</b>	<b>95%</b>
<b>Completion Total/ Rate</b>	<b>898</b>	<b>91%</b>
<b>Members w/Terminated Dep Total/Rate</b>	<b>87</b>	<b>9%</b>

Table 3: Compliance Results by Across all Members