hms

Blount County (TN)

Dependent Eligibility Verification
Request for Proposal

CBIZ Employee Benefits
9648 Kingston Pike (Ste. 8)
Knoxville, TN 37922

Health Management Systems (HMS)
900 Circle 75 Pkwy (Suite 650)
Atlanta, GA 30339

![hms logo]

Health Management Systems, Inc. (HMS) understands that performing a Dependent Eligibility Verification (DEV) project is an important undertaking. It requires experience, flexibility, proper planning, extensive communication, focused execution, and an appropriate timeline for members/employees to respond and comply accordingly—it should not be rushed. As such, choosing the right partner for these services is a critical decision. **HMS is that partner.**

The service provider that you select will be handling confidential data, documents, and dealing with sensitive issues. HMS adopted the Health Information Trust Alliance (HITRUST) Common Security Framework (CSF) and **we received our HITRUST CSF Assurance Program Certification in August 2014**. This certification provides a prescriptive framework for complying with security requirements that affect the healthcare industry, including those of the Health Insurance Portability and Accountability Act (HIPAA), International Organization for Standardization, and National Institute of Standards and Technology.

Choosing HMS will enable **Blount County TN** to achieve industry-leading results while minimizing member/employee disruption. We understand that a DEV project is not about removing the maximum number of dependents in the shortest period—**we designed our processes to achieve high response rates and ensure that removal only occurs for dependents not verified as eligible for coverage.** While this difference may be subtle, it has a large impact on how we design our communications, train our service representatives, and deal with a client's members/employees.

We have an experience-based, proven process that achieves unmatched results with exceptional customer satisfaction. A few of the benefits of our services and unique delivery model include:

- A flexible process designed to meet the specific needs and objectives of each client

- A timeline focused on achieving the highest response and compliance rate

- Proprietary technology that allows us to deliver efficient solutions with valuable, accurate results

As the following pages will show, HMS most likely shares similar values with Blount County in our commitment to making the healthcare system work better, containing costs, and protecting the integrity of healthcare programs. We hope our model fits with your objectives and needs, and we appreciate the opportunity to present our proposal for DEV services. Please feel free to contact me via telephone at (678) 689-0822 or email at snoury@hms.com with any questions.

Sincerely,

Steve J. Noury, MHP
National Sales Director - HMS

Table of Contents – Section Title

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The HMS Advantage

As a trusted partner to hundreds of employers in both the private and government sectors, HMS offers the infrastructure, experience, and capabilities of a large, financially stable company to deliver a high-quality member/employee and client experience with leading processes related to service, responsiveness, and sensitivity. Our Dependent Verification, Working Spouse Provision Verification, and Medical Plan Audit projects have manifested successful results for employers of all types and sizes, including Fortune 500^{SM} corporations, state and school employees' health benefit programs, government contractors, municipalities, hospitals, unions, and corporations of all sizes.

To conduct these verifications, we use best practices based on the expertise we have gained since 2003 in conducting **more than 2,000 DEV projects covering 10 million dependents, resulting in savings to our clients of more than $12 billion.**

As one of the first companies to create an Electronic Verification solution, we have the experienced specialists and the highly efficient, accurate processes that will help Blount County achieve superior results with minimal impact on its valued members/employees.

An Experienced Dependent Eligibility Verification Provider

Founded in 1974, HMS has been delivering cost-management services to government healthcare programs since 1985. In 2005, we started delivering services to managed care payers. Since 1985, we have worked with more than 45 state Medicaid agencies, 240 managed care plans, and other public and private healthcare companies to deliver state-of-the-art technology, operational processes, and best practices for cost containment and program integrity (PI) services. These services include coordination of benefits (COB), identification of improper payments and the reasons they occurred, and recovery of overpayments.

Our more than 30-year history of cost containment, COB, and PI services make us one of the most experienced providers of dependent verification and health plan verifications in the industry. Supported by our advanced technology and superior security infrastructure, we provide dependent eligibility and health plan verifications for employers and managed care organizations—projects that are proven successful and that generate significant results to our clients.

HMS Focuses on Dependent Eligibility Verifications

Unlike other vendors, we do not provide member/employee benefits or offer enrollment systems to employers. This is why our clients choose us over enrollment vendors, HR-outsourcing companies, business process outsourcing service providers, and large consulting firms.

Our approach results in 85% of participants successfully completing the process with their first submission, and our perpetual solution minimizes exposure to paying claims for dependents who were never eligible.

At any given time, we provide verification services for over 200,000 dependents, with the capacity to verify over 1 million dependents at any time. Our DEV experience covers the entire nation across most industries, public employer types, plan designs, and eligibility types. We have conducted verifications in both union and non-union environments, and we have experience in serving small to heavily populated states. **Our 16 years of experience and proven-successful Eligibility Verification projects for our clients make us one of the most qualified DEV specialists in the industry.**

There is no substitute for a proven solution delivered by an established, professional team with more than 15 years of experience in performing dependent verifications.

We are the only DEV vendor **exclusively endorsed** by the American Association of School Administrators (AASA) and the American Hospital Association (AHA). Both of these high-profile entities have given their approval to our well-established model of excellence.

We have achieved this recognition in part because **we exclusively focus on healthcare,** which gives us detailed knowledge of and experience with current insurance guidelines, healthcare-reform initiatives, and industry trends. Our experience and history demonstrate our ability to secure huge volumes of member/employee health data and securely manage it with respect.

For employers, HMS provides the best-in-market Cost Containment solutions. Our trusted medical, pharmacy, and dependent reviews help companies, unions, state agencies, and other payers save money, comply with policies, enhance efficiency, and maintain the value of member/employee benefits. Over the past 40 years, we have audited more than 10 million dependents and collaborated with blue-chip organizations such as Microsoft®, the California Public Employees' Retirement System, and Staples™.

As an established vendor in this field, we receive wide acknowledgement as a **trusted guardian of private and confidential information (Personally Identifiable Information/Protected Health Information).** We vigorously guard the confidentiality of the data we obtain and process when performing our services and maintain the security and confidentiality of all project-related data, files, and records in accordance with state, federal, and agency requirements.

We typically deliver a 1,000% or greater return on investment with our signature Dependent Eligibility Verification.

As part of our Corporate Compliance program, we have implemented, and maintain, our services to meet standards mandated by the HIPAA Privacy Rule. Our HIPAA security–compliance methodology goes beyond the requirements of the HIPAA Security Rule; it serves as a roadmap to safeguard not just electronic Protected Health Information but HMS information assets as a whole.

National Recognition as a Dependent Eligibility Verification Expert

HMS receives wide recognition as a trusted industry resource and expert on DEV. Our team members have provided commentary and published articles on the subject for many well-respected publications.

A Unique Approach That Produces Results

We believe the unique features of our approach are essential to provide a successful project while minimizing the time spent by Blount County personnel and members/employees throughout the verification process. **Our typical ROIs exceed 1,000% for our signature DEV projects, and we will match any ROI guarantee offered by any other vendor.**

The table in **Exhibit 1** summarizes the exceptional value that Blount County will realize by selecting HMS as its DEV partner.

Exhibit 1 ▶ *Relying on HMS for Dependent Eligibility Verification Provides Many Benefits to* Blount County

HMS Advantage	Benefit to Blount County
Healthcare Cost Containment and Dependent Eligibility Verification (DEV) Focus	We lead the nation in the design and deployment of healthcare cost-containment services to help our clients meet their financial and operational goals and, most importantly, to help deliver high-quality healthcare services to the populations they serve. Since 2003, we have specialized in DEV and offered our clients unmatched focus and dedication. Our approach has resulted in our verification of more than 10 million dependents that has saved our clients more than $12 billion.
Sensitivity to the Client-Member/Employee Relationship	We work with clients to create targeted and customized communication programs designed to minimize member/employee abrasion and maximize voluntary participation in the review by including member/employee-specific language and adapting content to a client's unique culture.
Convenient Ways for Member/Employee Participation in the Verification	We provide multiple methods for members/employees to obtain information, gather and provide verification documentation, and track the status of the documents submitted. Such methods include mobile applications; a secure, customized web portal; traditional mail; and fax.

HMS Advantage	Benefit to Blount County
Specially Trained Eligibility Verification Specialists (EVS)	Our EVSs are familiar with health insurance matters and eligibility requirements specific to our clients' benefit programs and exclusively dedicated to verifying dependents. All our personnel undergo extensive background checks prior to joining our team. We provide written privacy policies and procedures as well as training, and we document the successful completion of this training. All of our personnel must receive and complete this training before they can work with Protected Health Information.
Strong, Proven-Effective Technology Platform and Secure Web Portals for Client and Member/Employee Participation	Members/Employees can access our propriety verification application, VerifyOS, to review documentation requirements, upload documents securely, monitor their statuses, and access resources to locate not only the documents required to comply with the verification but also local, state, and federal benefit options available for dependents determined to be ineligible. Our clients have access to features such as a Results dashboard that enables authorized client personnel access to real-time statistics, such as response rate, return on investment, member/employee and dependent statuses, and cost savings to date. Our integrated technology platform allows us to use a single, comprehensive security framework that extends to all project data. **We provide an Enterprise Security Architecture (ESA) that underlies our strategic plan for maintaining security across our organization, which ensures that our processes align with all internal and external security requirements.** This ESA details key components of information security and provides systematic processes on how to analyze, develop, and implement a logical and effective program that achieves security objectives. We provide additional information about the strength of our technological solution in the **Technology and Security Platform** topic.
Dedicated Call Center and Verification Operations/Document Processing Centers	We staff our Call and Verification Operations/Document Processing Centers with fully trained customer service representatives with knowledge specific to each of our clients' projects. Additionally, our interactive voice response telephone technology is available 24 hours per day, 7 days per week. We provide additional information about these verification support operations in the **Dedicated Call and Operations/Document Processing Centers** topic.
Compliance with 508C Requirements	Our electronic technology and information technology is accessible to people with disabilities, and we comply with Section 508 regulations.
Flexible Solution	We can customize every component of our verification process, including comprehensive project workflows and timelines, communication documentation and delivery, web portal information, and project timelines, to meet client requirements.

HMS Advantage	Benefit to Blount County
Effective Communications	Our communications pave the way for successful DEV projects to help members/employees understand the purpose of the review and requirements for compliance. **We routinely achieve an average member/employee response of greater than 95%, and 85% of verification participants complete the process in their first attempt.** Our communications package includes templates for letters, emails, social media, and web portal communications that we can tailor to meet client specifications. We also offer a website (www.hmsprints.com) that features a variety of other items, such as posters and postcards, for use in promoting internal meetings and events.
Focus on Quality	We closely monitor all personnel to confirm accuracy and professionalism, and we record all telephone calls for continuous improvement. Our Quality team works with all team members on a monthly basis to confirm proper call handling and verification processing. Additionally, team leads provide coaching and feedback to each associate on a weekly basis. We manage our Call Center using a 10:1 team member-to-lead ratio for effective management. This rigorous, professional training of all customer service associates ensures that only highly prepared, certified agents handle calls.

Dedicated Call/Document Processing Centers Fully Support our Clients' Projects

A key to a successful DEV project is the member/employee customer service experience. Throughout the process, members/employees can contact us through email, a custom web portal, toll-free fax, U.S. mail, and a dedicated toll-free line to the Call Center staffed Monday through Friday. Our Call Center features include the following:

- Secure facility operated by HMS

- Recorded and logged calls

- Custom software with **focused reporting specific to each client's DEV project**

- Audit status information available 24 hours per day, 7 days per week (24/7) via automated response system

- Customer Service Representatives available 8:00 a.m. to 8:00 p.m. EST, with extended hours available

- 10:1 personnel-to-supervisor ratio

- Multilingual associates and more than 150 languages supported

- Staffed by Eligibility Verification Specialists (EVSs)

Our dedicated Call Center is located in Irving, TX. We always secure proper staffing to meet our service-level commitments to our clients. Recruiting the best associates requires highly specialized hiring processes that include behavioral-based interview methodologies and extensive background screening.

We will train our team members dedicated to the Blount County project on its unique elements prior to taking any calls from members/employees. This training ensures that the team members have the knowledge to respond to Blount County members/employees quickly and knowledgeably—an important step toward increasing member/employee reception to the review.

HMS Operations/Document Processing Centers

Our mail-processing facility has badge-access control, and we monitor it with surveillance cameras 24/7 to ensure that our environment for processing and handling documents is safe and secure.

We date-stamp and scan all inbound mail, and we securely store the physical paper for 120 days after receipt. Upon imaging of the documents, the entire process is electronic. We handle the analysis of the inbound mail by using automated work queues. This ensures that we process mail on a "first-in/first-out" basis.

Our dedicated Operations/Document Processing Center also processes all documents electronically received via the toll-free fax or document upload from the custom web portal or a mobile device.

Testimonial

"HMS handled every complicated situation with ease. HMS is obviously the best in the business at what they do. The right people were always in the right place at the right time."

–Connie Budzinski
National Grid

The HMS Dependent Eligibility Audit Process

HMS's customized DEV solution will identify ineligible dependents currently covered by Blount County health plan. Our "team approach" provides the client with an experienced Project Manager and Project Coordinator, supported by a dedicated Dependent Eligibility Call Center team and Document Review specialists.

We organize our DEV process, illustrated in **Exhibit 2,** into phases built with flexibility in mind. The steps outline our proven best practices but are largely customizable per each client's unique requirements.

Exhibit 2 ▶ *The HMS Dependent Eligibility Verification Process*
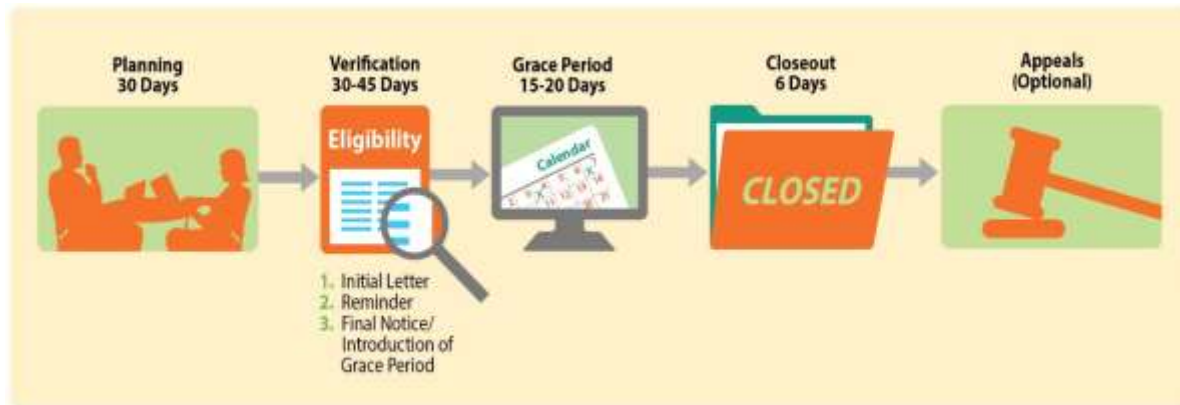
We will collaborate with Blount County during the Planning phase to develop a DEV schedule that meets its needs and produces the desired results. **Our clients have achieved an average member/employee response rate of greater than 95% when following our recommended approach.**

We firmly believe that a proper DEV project requires an appropriate allotment of time to enable the communications to be effective and allow members/employees adequate time to source and submit the required documentation. Rushing the process heightens the number of disgruntled members/employees, generates a higher non-response rate, and likely forces a number of dependents who are actually eligible for coverage off the plan—potentially creating a high number of unnecessary appeals. We describe our verification process on the following pages.

Phase 1: Planning

During the Planning phase, the Project Manager dedicated to Blount County will use a proprietary project-planning workbook to define all of the aspects of the project and document them accordingly. These aspects include, but are not limited to, the following:

- Defining the project timeline
- Determining the required Verification documents for each situation
- Customizing the outbound communications and Frequently Asked Questions (FAQ) documents
- Customizing the website content for members/employees
- Defining and testing the Enrollment File
- Defining and facilitating the ongoing approach

Phase 2: Verification

During the Verification phase, members/employees will submit appropriate documents verifying each dependent's relationship and eligibility. The specific documents required to establish these relationships

will be a collaborative decision, augmented by our experience with prior reviews and the specific definition of an "eligible dependent" in the Blount County Summary Plan Description(s).

An added benefit of the HMS process is that, if desired, we can integrate a process to verify healthcare availability for spouses or adult dependents through another employer.

During verification, members/employees can return their responses and/or requested documentation to us for tracking and processing via the following methods:

Unlike other dependent eligibility verification systems, our VerifyOS solution can accommodate an unlimited number of dependent types or subtypes.

- Secure document upload via the web portal

- Secure, toll-free fax number

- Secure picture upload via smartphone or tablet

- United States Postal Service™ (USPS™)

In accordance with USPS mailing requirements, we check all addresses against the National Change of Address Registry to secure the highest possible delivery rates and minimize the amount of returned mail. We will track all invalid mailing addresses, implement processes to make corrections to the Address File, and communicate all results/changes with Blount County. Additionally, we will capture and provide discrepancies related to personal information, such as the spelling of names and invalid dates of birth (DOBs).

Receipt and Storage of Verification Documents

Verification documents vary based on our clients' plan-eligibility definitions, but some of the best-practice documents requested are as follows:

- Marriage Certificate with a supporting document validating that the marriage is current (e.g., household bill within 30-60 days, bank statement, current tax return)

- Domestic partner paperwork (where required by the state)

- Documentation related to children (including stepchildren):
    - Birth Certificate (must match the name of at least one parent on the Marriage Certificate)
    - Legal guardianship paperwork
    - Legal adoption paperwork

- Affidavits

We will scan all documents provided to us to facilitate rapid retrieval, and we will retain all documentation for up to 120 days after receipt. A file of all documents collected during the audit will be provided back to the client for their records and future reference. Final document disposal will occur securely and upon mutual agreement with Blount County regarding the timing and process. **We do not charge additional fees for document or data imaging, processing, storage, or destruction.**

Initial Verification

We will draft an initial member/employee-specific verification communication, with particular emphasis on the opening paragraph to set the proper tone with members/employees and provide consistency with Blount County culture. The remaining content will list each current dependent by name (with DOB) and request the required documentation to confirm eligibility for each dependent.

We will also include a custom FAQ insert with each verification communication that will address key items most important to members/employees.

Reminder

Approximately two-thirds of the way through the Verification phase, we will send a second communication (i.e. reminder) to all non-responders that emphasizes the upcoming deadline. We may also send emails or automated outbound telephone calls as reminders at this stage in the process to support the review.

Final Notification

The final notification communication will announce the conclusion of the initial Verification phase and provide information on the upcoming Grace period. We will send this notice approximately five days after the deadline to those members/employees who are still in a partial or non-responsive status.

Testimonial

"I was amazed at how well "HMS made our recent dependent verification process a breeze, and, because of this, we highly recommend their services. From holding weekly Status Update calls to dealing with numerous employee questions, they were in charge every step of the way. The verification process saved our hospital a great deal of money and also helped to clean up our benefit plans."

–Meghan Levine Donahue
Carroll Hospital Center

HMS Response to Member/Employee Submissions

For each submission by a member/employee, HMS will send a follow-up response.

Upon full compliance with the requirements, we will send a Confirmation Postcard to the member/employee indicating successful completion of his/her part of the review.

For incomplete submissions, we will send the member/employee a Customized Response highlighting the area of noncompliance and request that he/she provide specific additional information.

For those who elect to remove one or more dependents, we will send a Voluntary Termination Confirmation to ensure that we properly captured the intentions of the member/employee. This confirmation will also include details associated with the appeals process should the member/employee elect to appeal the termination.

Point of Difference

Phase 3: Grace Period

Ideally, all members/employees contacted will respond during the Verification phase. **We have been successful in achieving an industry-leading member/employee response rate averaging 95%.** However, there will always be members/employees who fail to respond and others that wait until the last minute only to realize that they do not possess the required documentation. Thus, we recommend building in time for an unpublished Grace period. At the onset of the Grace period, we will send a Final Notification to all noncompliant participants informing them that they have an additional period to comply. This communication typically includes any information regarding an appeals process and COBRA details.

Phase 4: Closeout

HMS will supply Blount County with a file of ineligible dependents that will enable seamless upload of data into it and/or its carrier's system. We will also prepare a Final Report summarizing the initial project in terms of participation, terminations, and return-on-investment (ROI) projections.

If desired, we will assist with the implementation of ongoing verification. We describe our ongoing verification service options in **Section 2.F.** We strongly suggest implementing ongoing services in conjunction with the initial review, which will allow a seamless transition that will keep Blount County dependent file clean, demonstrate compliance and maximize the value of the benefit plan.

> **Testimonial**
>
> **"We selected HMS to conduct our first Dependent Verification program. They did a nice job of not just being a vendor, but a quality, professional business partner. Their expertise was invaluable, and their communication flexible to our workforce. As a true testimony, we have selected them to continue to conduct our ongoing Dependent Verification program that we have now made a regular monthly business practice and not just something we do every 3–5 years."**
>
> **–Tom Strieker**
> **DOT Foods**

Phase 5: Appeals

Based on our experience, only a very small percentage (2%–3%) of the non-responders with dependents deemed ineligible appeal after the official project closes. Many of these are members/employees who procrastinated or did not think that their employer would actually remove unverified dependents.

This proposal/pricing includes a 1-week Appeals/Reinstatement period, and if so desired, HMS can extend beyond that for a nominal weekly charge ($1,000) to handle this small percentage of people, or we can provide guidance at no charge to Blount County if appeals will be handled internally. **The decision to extend the project does not need to occur before verification starts.** We are entirely flexible, and we will assess the need with Blount County toward the end of the official project. If an extension is implemented, we will collect documents and update dependent status during the extension period. The call center and web portals will remain available.

A true appeal can only happen after termination of coverage at the carrier level. While the carrier sends notice of this occurrence, the member/employee is often unaware until he/she attempts to use a prescription or medical card and receives a denial of coverage. This type of scenario happens well after the close of the eligibility review.

Ongoing Verification Service Options

We recommend that our clients initiate an ongoing review process once the initial verification is complete. This assists in keeping ineligible dependents from being covered by health plans via enrollment by new hires or life-changing events. It also demonstrates fiduciary responsibility and compliance while continuously educating members/employees about the rules of dependent eligibility. Our **Perpetual DEV (PDEV) option** is simple and automatic. When a new member/employee electronically enrolls dependents, we receive

Our experience as leaders in the industry indicates that employers are moving toward implementing ongoing services as organizations look for ways to stretch healthcare dollars while still providing competitive benefits.

a file and begin a Verification cycle. The PDEV option is a "plug-and-play" tool that helps employers and enrollment vendors verify dependent eligibility during the enrollment onboarding process. HMS can work with any enrollment system and set-up does not require any major implementation. The system has no limits in terms of submission frequency, size or review customizations.

Technology and Security Platform

HMS's propriety verification application, VerifyOS, supports our DEV process. It is a secure technology platform built and supported by our information technology (IT) resources. Features include the following:

- Management of all dependent and member/employee data in a secure database, with extensive scrubbing routines processed against the data to confirm data integrity and maximize mail-delivery rates

- Functionality to support the customer service representatives we assign to each project, including extensive workflow elements built into the process to secure a positive customer experience

- A rules engine that automates the determination of a dependent's eligibility

  - Mail processors do not make eligibility decisions—the processor simply identifies the valid documentation provided
  - The rules engine determines if the dependent is eligible based on the type of dependent, the required documentation, and the submitted documents based on Blount County summary plan description

- The ability to determine the next step in the processing stream, which could include sending a Custom Response Letter, a Confirmation Postcard, or a Voluntary Termination Confirmation

- **System and data security**. Our IT Services team, under the direction of the HMS Chief Information Officer, has developed policies, standards, guidelines, and practices for securing company information and technology assets. Areas include, but are not limited to, the following:
  - Access and authentication controls
  - Configuration settings and protection schemes
  - Change-management processes
  - System and software acquisition, development, and maintenance processes
  - Network design and implementation considerations
  - Threat identification and prevention measures
  - Monitoring, detection, reporting, and mitigation of vulnerabilities
  - Equipment transfer and disposition protocols

Mobile VerifyOS

Information that is readily available, along with the ability for members/employees to access and interface with online applications without a dedicated computer, has become an expectation in the marketplace. We offer a mobile solution, Mobile VerifyOS, to assist Blount County members/employees in the completion of the verification process.

Members/Employees with access to a smartphone or tablet can use Mobile VerifyOS to view basic status information and, more importantly, capture digital images of Verification documents and upload them securely to the verification platform. This increased convenience provides assurance to Blount County

that its members/employees can easily participate in the verification process using the response method of their choice. **Mobile VerifyOS further supports our ability to provide** Blount County **with a participant-completion success rate of approximately 85% on the first attempt.**

We provide in **Exhibit 3** screenshots of Mobile VerifyOS displayed on a smartphone.

Exhibit 3 ▶ *Mobile VerifyOS: Accessible Using a Smartphone or Tablet*
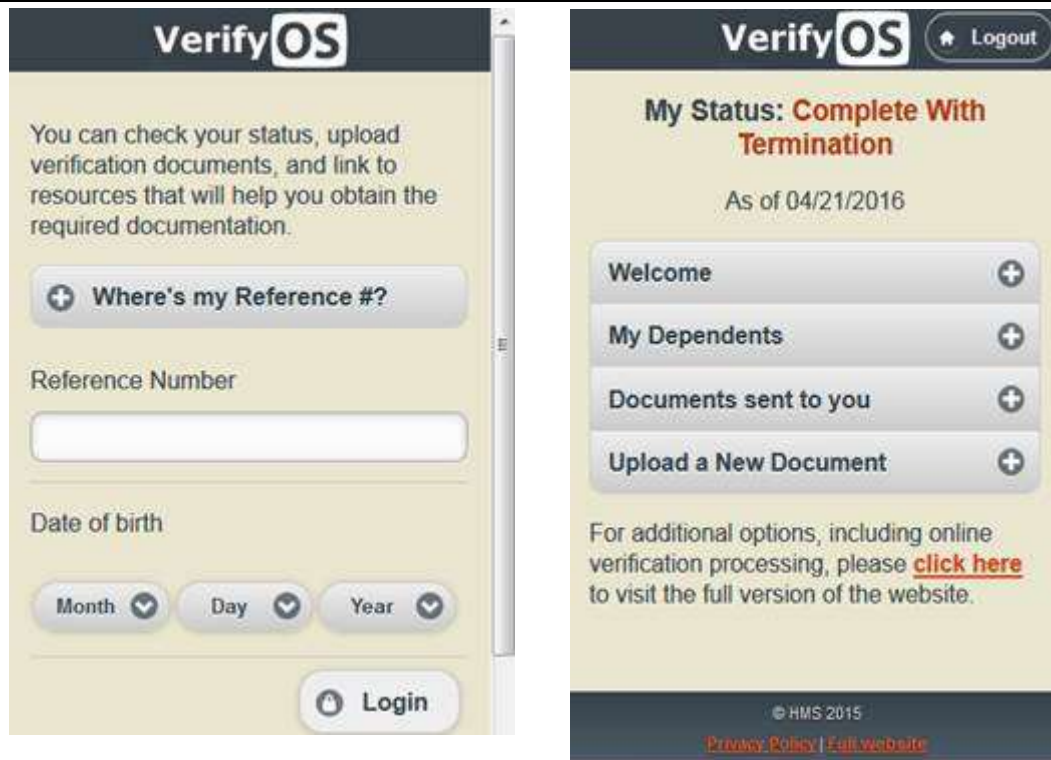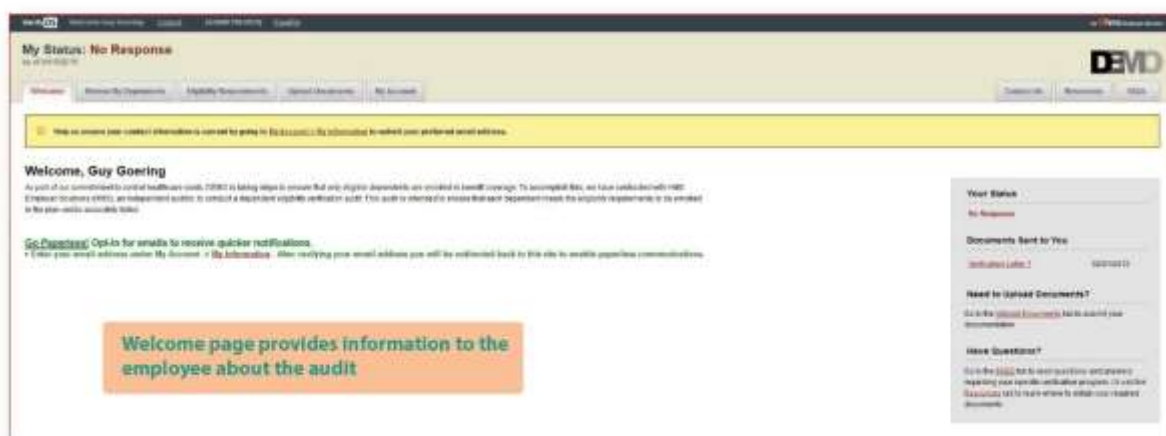

Member/Employee Web Portal

VerifyOS integrates with our real-time reporting capabilities. This includes a secure Member/Employee Web Portal from which members/employees can determine their status in the DEV process and obtain pertinent information about the review. The portal contains the following information:

- An overview of the Verification program

- The definition of an eligible dependent

- The required documentation by dependent type

- Tools and resources to aid members/employees in obtaining required documents that might not be in their possession and an extensive list of answers to FAQs

- The ability to enter an email address for receipt of an email alert when certain key status changes occur based on submission and processing of documentation
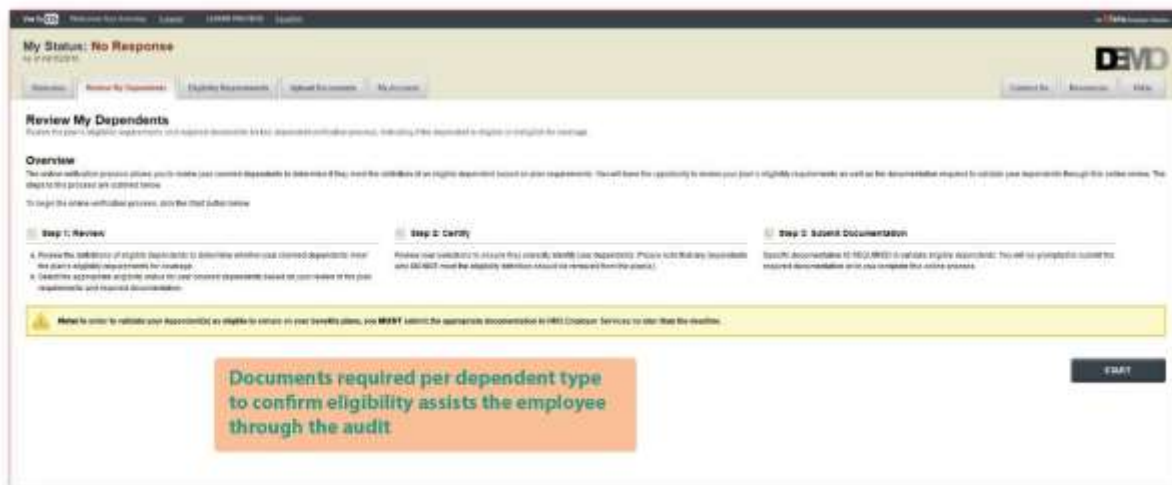
- A secure document upload feature to supply the required information electronically—this allows members/employees to upload the required documents and receive a confirmation of compliance faster, which closes the loop for members/employees more quickly

- Soft-landing resources to help members/employees who lose their dependent coverage find other coverage through the Health Insurance Exchanges or other avenues (our Call Center also provides this assistance)

- Copies of all outbound communications

We provide illustrations of our Member/Employee Web Portal in **Exhibit 4.**

Exhibit 4 ▶ *Member/Employee Web Portal*

Exhibit 4 ▶ *Member/Employee Web Portal (continued)*

Documents required per dependent type
to confirm eligibility assists the employee
through the audit

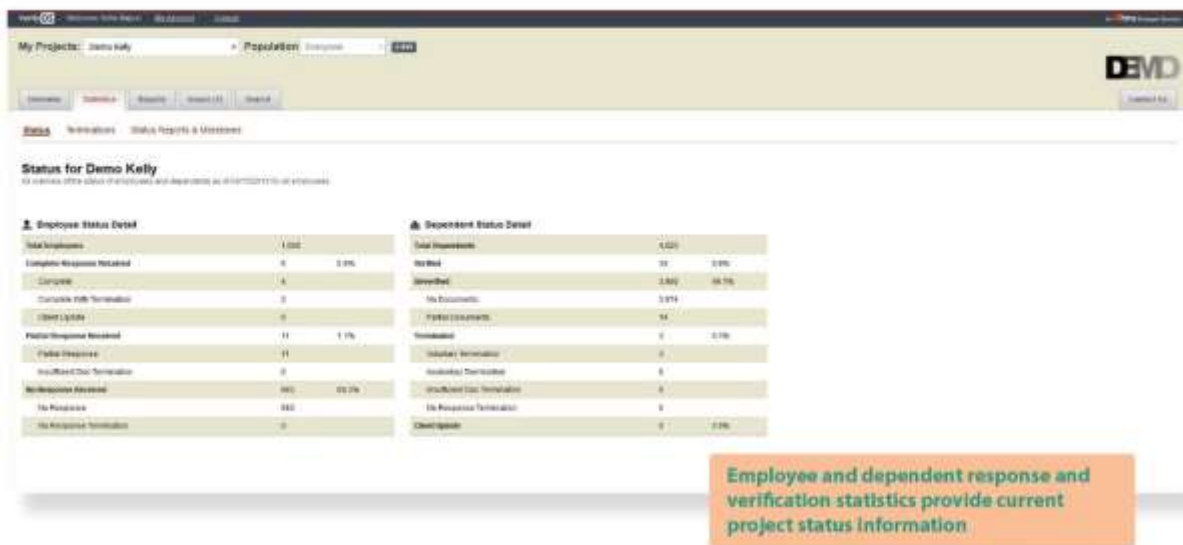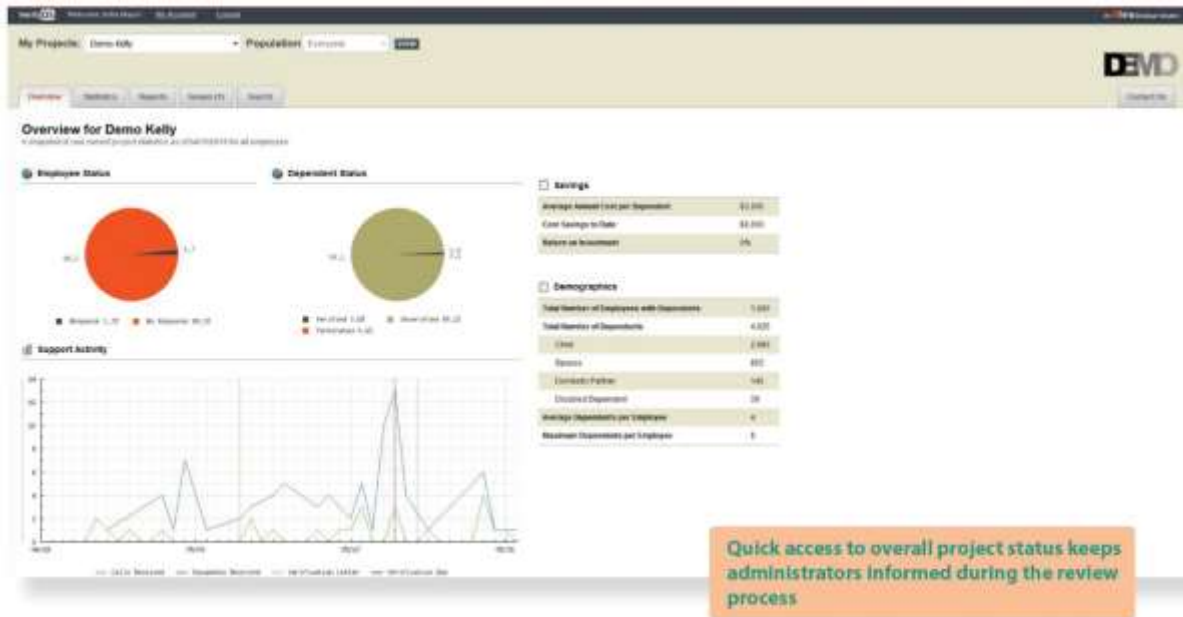Dependent review status keeps employees
on track during the audit

Administrative Web Portal

The Administrative Web Portal, powered by VerifyOS, will enable key Blount County representatives to obtain real-time statistics regarding processing statuses, call volumes, and website hits. It will also provide access to the project calendar, issues and their resolutions, and the general Status Reports updated on a weekly basis. The Administrative Web Portal also provides the ability to determine a real-time status for any individual by name.

We focus all reporting on meaningful and useful data. We have designed the reporting modules within VerifyOS and the Administrative Web Portal with extensive flexibility and the ability to organize report structure by client division, location, or review cycle. Custom and ad hoc reports are available upon request—at no additional cost. We highly recommend requesting a live demonstration of our customized web portals.

We provide illustrations of our Administrative Web Portal in **Exhibit 5.**

Exhibit 5 ▶ *Administrative Web Portal*

![hms logo]

Exhibit 5 ▶ *Administrative Web Portal (continued)*

Statistics can be granulized to show status details by dependent type

Administrators can quickly search for and locate review process details associated with individual employees
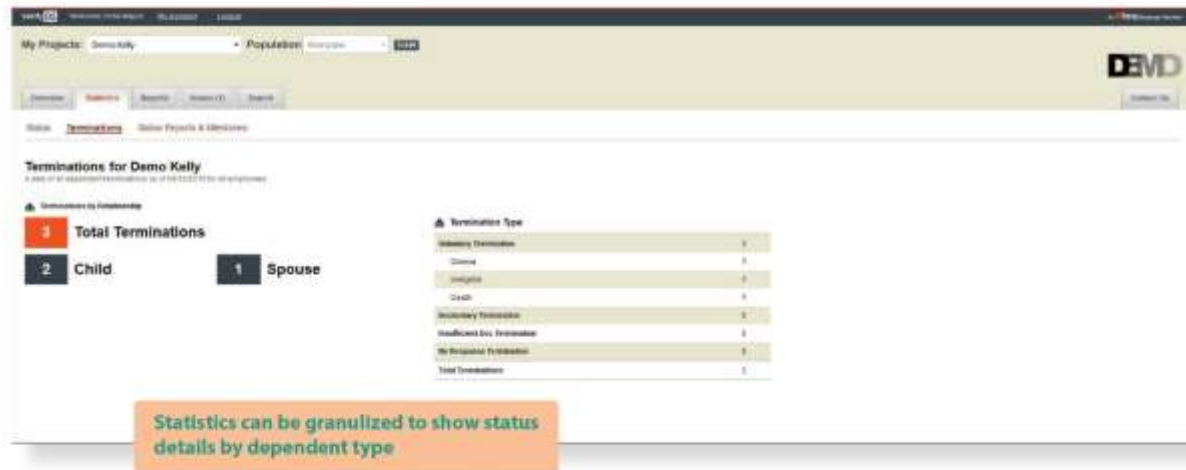
Reporting

HMS will provide reports that measure the efficiency, effectiveness, and adherence to the timeline of the DEV project. We will mutually agree on reporting frequency and data content with Blount County. At a minimum, the reports will include the following:

- **Verification Status Summary Report.** Number of letters mailed, number of responders, number of complete documentation sets received, number of incomplete documentation sets received, number of non-responders, and number of returned pieces of mail

- **Call Center Statistics Report.** Average length of calls, abandonment rate, and response times

- **Biweekly Status Report.** Progress and milestones met

- **Master File of Final Eligibility-Status Determination Detail Report.** Member/Employer information, dependent information, eligibility confirmed, and eligibility not confirmed

- **Appeals Report (if an Appeals period is part of the project).** Number of appeal requests received, number of requests accepted, and number of requests rejected

- **File of all imaged eligibility documentation.** Documentation received, scanned, and stored

- **Performance Guarantee Report.** Summary of our compliance with all contract guarantees

- **Final Project Report.** Summary of project outcome and suggestions to improve the management of dependent eligibility and cost savings

Pricing Structure

On a conservative basis, HMS's DEV project for Blount County would deliver a ROI of 314% with the removal of just 41 (2%) enrolled dependents. Based on an approximate dependent count of 2,046, the total project cost will be **$34,604** (Includes auditing the "**Working Spouse**" provision)**.** We will apply a $11.81 per-dependent adjustment for any dependents above or below 2,046.

Using conservative assumptions, our service produces substantial ROI over a one-year period. The table in **Exhibit 6** provides the potential savings achievable using our pricing structure.

Exhibit 6 ▶ *A Well-Executed Dependent Eligibility Verification Project Provides Savings*

Factor	Conservative (2%)	Moderate (5%)	Typical (8%)
Ineligible Dependents	41	102	164
Annual Savings	**$143,220**	**$358,050**	**$572,880**
Return on Investment	**314%**	**935%**	**1556%**

The pricing in this proposal is valid for 90 days and includes:

- All printing and production of communication materials
- All inbound and outbound first-class postage
- Experienced project management and pre-verification HR training
- Inbound document processing
- Electronic and hardcopy data storage and retrieval
- Call Center support
- All telecommunications costs
- IT development costs for up to 10 hours of programming for data files
- Automated outbound reminder calls and email cycle (when required data is available)
- Facilitation of ongoing review

We will adjust the fees if there is a materially significant change in scope or an increase in the number of members/employees and/or dependents prior to the onset of the project.

Performance Results Guarantees

Our clients have experienced up to a 12% reduction in dependents by using our service, with a usual range of 4%–8%. A reduction of one-fourth to one-half percent of enrolled dependents, (i.e., 1 out of every 200 to 400 enrolled dependents), will typically cover the costs of our program.

ROIs associated with using the HMS DEV approach generally range from 500% to well over 1,500%.

Our typical ROIs exceed 1,000% for our signature DEV projects. HMS will provide a guarantee that Blount County will achieve a positive ROI with our Dependent Verification program based on a theoretical savings over a one-year period. With a savings rate of $3,500 per dependent, this would translate to requiring removal of 10 dependents (0.5%) to attain a positive ROI. Should we fall short of this guarantee, we will either subtract the shortage from future invoices or promptly refund it. **We will match any ROI guarantee offered by any other vendor.**

HMS is confident that our services will meet and exceed Client's expectations. **Exhibit 7.** lists the performance guarantees against which we will be measured along with the fees at risk for failing to meet the defined goal.

Exhibit 7 ▶ *Performance Guarantees*

Metric	Measurement	Fee at Risk
Document Processing Accuracy	We will accurately process 99% of inbound documents as measured by an internal quality assurance process of 2%–5% of the documents received.	2%
Document Processing Timeliness	We will process 98% of inbound mail within an average of 5 business days based on the technology time-stamp for each item.	2%
Call Center Responsiveness	We will answer 98% of calls within an average of 55 seconds	2%
ROI Savings Guarantee	2:1 – HMS will guarantee that the projected savings as a result of the audit will be 2X the cost of the audit.	If we do not meet this guarantee, we will adjust the invoice accordingly.

No-Cost Features

HMS goes above-and-beyond in our mission to provide our clients with a results driven program that will verify dependents and have a positive impact across their entire benefit structures. We will accomplish this for Blount County by offering an unparalleled suite of enhancement services, described in **Exhibit 8,** at no additional fee.

Exhibit 8 ▶ *HMS Provides No-Cost Features to Support* Blount County *Dependent Eligibility Audit*

Enhancement	Description
Business Reply Envelopes	We will include prepaid business reply envelopes, which improve member/employee experience and response rate, in the first outbound mailing.
Data Conversion and Formatting	Upon receipt of the data census, we will conduct a thorough review and multiple integrity tests on the file. We will send notification of any errors and apply corrections at no additional fee.
Supply of Documentation in Electronic Format Via Secure File Transfer	We will supply all documentation in PDF format.
Ad Hoc Reports	We understand the necessity of having data when needed. If users cannot access necessary data through our standard, robust reporting suite, we will create customized reports upon request.
Human Resource (HR) Training	Many of our clients have multiple HR leaders in various locations that have a need to understand the Verification project plans and objectives, their roles within the verification process, and how to handle particular situations. We offer a Blount County pre-verification training webinar, conducted by the dedicated Project Manager, to ensure that all personnel are up-to-speed on the verification plans, objectives, and roles and responsibilities.
Resources to Assist Terminated Dependents	Soft-landing resources to help members/employees who lose their dependent coverage find other coverage through the Health Insurance Exchanges or other avenues (our Call Center also provides this assistance).

Value-Add Options

Based on Blount County specific circumstances and needs, we offer a variety of value-added services for a nominal fee:

- **Spousal Affidavit review** for spousal exclusions or surcharges **(Included in price quoted)**

- **Live outbound reminder calls during the Grace Period (Included in price quoted)**

- **Email reminders during the Grace Period (Included in price quote)**

- **Social Security Number (SSN) collection** to accommodate Medicare Secondary Payer provisions that requires all carriers and group health plans to report the SSNs of all participants— most carriers will request these numbers from the group health plan, and a DEV project provides a good opportunity to collect this data.

- **Collection of other insurance information** to assist with proper COB, which is a key component to reducing the cost of healthcare claims

- **Collection of member/employee health and wellness data** (e.g., information on smoking cessation,) to assist Wellness programs

> **Testimonial**
>
> **"The HMS team was top-notch and produced results that exceeded our expectations. Their team was very thorough and provided the technical expertise we needed. I would recommend HMS to anyone thinking of doing a dependent eligibility audit."**
> **–Joe Huxta**
> **Volvo**

If Blount County has interest in any of these options and contacts HMS prior to contracting with us for verification services, we will fully customize our program to fit the exact needs communicated.

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