



Meet Verifi1



Verifi1 – Project Overview, Savings, ROI & Cost Analysis

Verifi1 provides advanced verification solutions and document analysis for a wide range of eligibility applications. We have special expertise in **dependent eligibility verification**, helping employers validate healthcare eligibility so they can reduce unnecessary healthcare expenses and ensure employees can continue to receive the best possible healthcare benefits packages.

Verifi1 deploys an **advanced, proven eligibility verification process** to help companies professionally and compassionately manage this growing problem. Developed after more than 25 combined years in the dependent eligibility verification space, our process utilizes the latest technology, procedures, and expert communications to achieve the most accurate and effective results.

What is Dependent Eligibility Verification (DEV) and why is it important:

A dependent eligibility verification program (DEV) is a review of an employers' health benefit plan to ensure enrolled dependents are actually eligible to receive coverage. When enacted, this service will:

- Reduce overall healthcare costs by eliminating claims paid for ineligible dependents
- Assist firms in complying with laws (e.g. Sarbanes-Oxley, ERISA) related to operating a benefit plan as designed, and to maintain exclusive access for qualified plan participants

On average, **between 4% and 8%** of dependents are not eligible for coverage. ALL employers - regardless of industry, geography, and service sector - WILL be burdened with covering ineligible dependents if they do not employ a system to monitor and validate who gains access to their benefits plans. In other words, the problem will never “self-correct” if a validation and tracking system is not established.

What types of DEV program are needed?

Initial: identifies ineligible dependents currently covered under an employers medical insurance plan (can also be coupled with a working spouse review)

Ongoing: validates the eligibility of new dependents, verifies spousal relationships, and captures relationship changes that occur during open enrollment

Life Event: validates qualified employee status changes (getting married, having a baby, or losing health coverage) that can permit employees to enroll dependents in health insurance outside the annual open enrollment period

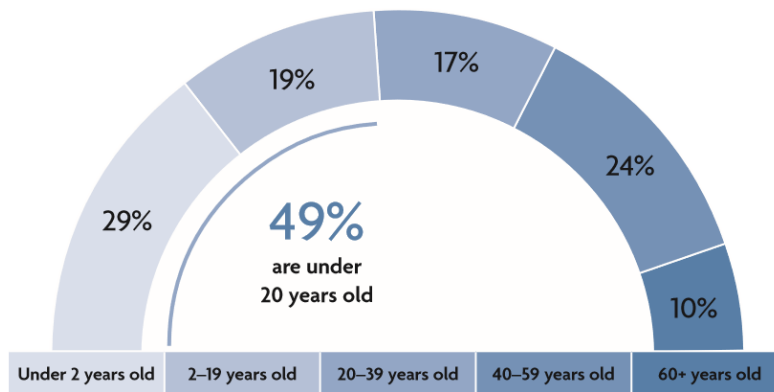


Risk Mitigation

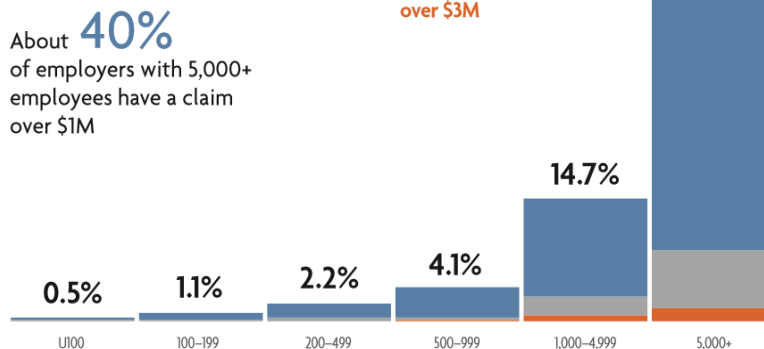
Dependent eligibility verification is also a primary risk mitigation strategy. At any point, a dependent can become a high-cost claimant, including a million-dollar+ claim. If the dependent is ineligible, stop loss claims will be denied, and the employer will be responsible to cover the incurred claims. The numbers are staggering:

- **1.2 percent** of all enrolled plan members are high-cost claimants
- High-cost claimants cost their health plans **\$50,000** or more per year
- The average high-cost claimant costs **\$122,382** annually
- High-cost claimants make up **31 percent** of total spending
- The likelihood of a self-funded employer having a stop-loss claim in any given plan year is 83.7%
- The number of **\$1,000,000** plus claims has **increased by 87 percent**

Individuals with million-dollar+ claims by age



What percent of employers have a claim ... between \$1M and \$2M between \$2M and \$3M over \$3M





The Verifi1 Difference:

- A **fully** customizable solution
- Scalable to handle verification programs of **ANY** size and volume of clients
- A wide range of process options allowing **full flexibility** in managing the services needed while **maintaining control** over the budget.
- High volume client onboarding (Verifi1 can launch a DEV initiative in as little as 7-10 days; average industry time: 30 days+)
- Complete integration of initial, ongoing, and life event verification services all of which are launched concurrently. This approach maximizes file transfer efficiency, eliminates “gaps” between an initial verification and ongoing/life event reviews, and generates benefit plan savings more rapidly
- Sophisticated IVR system operating 24/7 that provides employees with detailed status reports relative to their dependents. (The competition’s IVR capabilities are of the “standard” variety, offering callers limited information, and functioning primarily as a means to route calls to live help staff)
- **ALL** of Verifi1’s services are performed domestically with no off-shoring. **All** of the large benefits consulting firms use extensive foreign based services – including foreign based employees – and some are even headquartered outside of the United States. With “rogue nation” data breaches and security concerns at record levels, employees participating in a DEV initiative feel greater confidence interacting with a US based company that manages ALL aspects of this endeavor in this country
- Verifi1 is completely dedicated to providing DEV services. As such, we have no potential “conflict of interest” issues that could arise if we also managed enrollment services as do many of the large consulting houses. Case in point: Frequently during the course of a DEV program, we discover that ineligible dependents may be gaining easier entry to an employer’s health coverage, because the front-end enrollment system may be somewhat antiquated. There may not be an indicator for example, designating step children (which requires additional documentation to validate a legitimate dependent relationship), and as such, this system flaw could be a large component of ineligibles gaining access to employer sponsored benefits coverage
- Verifi1 offers the same level of sophisticated DEV services to employers of **ALL** sizes (ranging from 100 – to 100,000+)
- Verifi1 principals are widely acknowledged throughout the healthcare space, as having been the catalysts for creating and establishing the DEV industry as it stands today

The Verifi1 Benefit:

- **4 – 8 %** of dependents on health care plans are ineligible for coverage
- Ongoing verification efforts find **12-18%** of dependents are ineligible
- The average annual cost per dependent is **\$5,550**
- Verifi1 pricing is among the best in in the industry, and includes an ROI guarantee



Verifi1 – Standard DEV Process and Timing

The Verifi1 – **V1 Engine** is designed to provide the utmost in flexibility as it pertains to process and timing. All of the different segments of the process have been developed with the express intent of making them customizable for our clients. The **V1 Engine** has been designed to take into account a wide array of client needs as it pertains to culture, internal processes, eligibility rules, and budget. The Verifi1 standard verification services encompass all of the activities associated with launching the program, and managing the solicitation, collection and review of documents.

Establish Timing

During the verification process, Verifi1 will manage all the operational aspects needed to complete the eligibility verification processes. Timing for the phases of the process can be customized to fit with specific needs or constraints.

Transfer Data

Verifi1 has established a process to manage the exchange of data required to facilitate the life event and dependent eligibility verification processes. Verifi1’s standard file format is a simple .csv file with some very basic census data.

Customize Communications

Communication is key when it comes to employee participation in dependent eligibility verification. Outside of certain formatting, mailing, and variable data requirements, all of our letters can be customized, and tailored to ensure client specific information and corporate communication styles are utilized. Clients have the ultimate approval prior to any of the communications being sent to employees. Our standard communications campaign consists of the following:

1. **Initial Letter:** Verifi1 provides information that explains how the process will benefit the employee, what documentation will be needed, and a timeline for verification
2. **Status:** Throughout the process, and at the conclusion, employees will be notified of the status of their dependents. Verifi1 will let them know:
 - a. They have completed the process, no more documentation is required, and benefit coverage will continue
 - b. They have submitted documents, not all of the documents were complete or correct, and additional information is still required
 - c. They have voluntarily removed a dependent, and benefit coverage will be discontinued



3. **Reminder:** Approximately half way through the process, employees receive reminders to submit their documentation, if they haven't already done so, to ensure they complete the process in a timely manner.
4. **Final Status:** After the deadline has passed, any employee who has an ineligible dependent, or who has not complied with the verification process, will receive the final status letter notifying them that their dependent(s) will be removed from coverage.
5. **Appeal Status:** Throughout the appeal process, employees will be notified with the status of their appeal. Verifi1 will let them know:
 - a. They have completed the process, no more documentation is required, and benefit coverage will continue
 - b. They have submitted documents, not all of the documents were complete/correct, and additional information is still required

Establish Eligibility Rules

In defining eligibility, we have pre-defined covered dependent types and eligibility guidelines, including a working spouse provision. We use this prepopulated information to customize and develop the eligibility rules and required documents to be used for evaluating employee submissions within the **V1 Engine**. Once established in the system, the customized rules will automatically be applied to the communications campaign and employee web site. Verifi1 has established document requirements for dozens of different dependent relationship types including:

- Spouse
- Domestic Partner
- Same Sex Domestic Partner
- Natural Child
- Legally Adopted Child
- Step Child
- Disabled Adult Child
- Foster Child
- Legal Guardianship Child

Verifi1 also has processes in place to add relationship types as needed by our clients, or at any time an eligibility requirement changes.

Complete the Process

During the verification phase, several tools and processes are available to employees to assist in completing the verification.

Collect, process, and verify documents: Verifi1 manages the collection of documents for the review process. Employees can easily submit documents via computer, tablet or smartphone, by uploading the document to the website, or taking a photo and uploading to the website through mobile devices. Employees can also choose to mail, and fax their documents to Verifi1. We then use a fully automated system backed with the most advanced OCR technology, to process scanned data and verify eligibility as set by your eligibility rules.



Web Based Interface and Call Center Support: Throughout the process, our web based interface coupled with online chat, an advanced IVR solution, and our call center staff, are available to assist employees in finding the correct documentation and answer any questions they may have.

Online User Portal: Employees are able to upload documents, view the status of their verification, chat with an online representative, and see all communications related to their account, via the easy to use Verifi1 portal.

Results and Appeal Process: Once the verification process is complete, employees will receive notice of their review outcome. If a life event is not approved, or a dependent is found to be ineligible, and the employee believes the results are inaccurate, they have the opportunity to appeal the decision.

Maintain Plan Integrity

Conduct ongoing verifications. Dependent eligibility verification is an ongoing endeavor. This process is built into the **V1 Engine**, and can be launched in conjunction with the initial verification. Statistically, the percentage of new hires with ineligible dependents is more than double that of the initial employee screening. Verifi1 strongly encourages clients to conduct ongoing dependent eligibility verification initiatives with our service, throughout the year. During our reviews, we conduct verification for all new hires as well as employees who have made a change to their dependent(s) status during the previous enrollment year.

Ongoing Scope:

Verifi1 will evaluate the dependent relationships for all dependents added as part of the new hire process. Verifi1 will provide dependent verification services including:

- Employee communications
- Letter processing, print & mail services
- Document collection and review
- Call center services
- Interactive Voice Response (IVR) system
- File testing & ingestion
- Notification of ineligible dependents
- Reporting
- Secure file & document storage
- Application & data hosting