

Dependent Eligibility Audit (DEA)

As one of New Jersey’s leading public entity benefits brokers, Business & Governmental Insurance Agency (BGIA) understands the pressures public entity business administrators face. Controlling escalating benefit costs while continuing to provide employees with superior health coverage has never been more difficult. BGIA offers a unique solution: a Dependent Eligibility Audit to ensure your public entity is only covering those employee dependents that are truly eligible.

Why Perform a Dependent Eligibility Audit?

Reduce Employee Benefits Costs

The private sector has long recognized the benefits of Dependent Eligibility Audits (DEAs). Each insured dependent costs an organization an average of \$2,400. Companies that audit eligibility find between five and 15 percent of their insured dependents ineligible for coverage. A recent survey conducted by the International Foundation of Employee Benefit Plans found that 26 percent of U.S. employers now audit health care eligibility.¹ Now that the State of New Jersey has begun conducting DEAs to avoid providing benefits where they are not due, shouldn’t you be doing the same?

ESTIMATED ANNUAL SAVINGS		
Number of Dependents	Estimated Savings/Yr	
	Ineligible (5%)	Ineligible (10%)
100	\$12,000	\$24,000
300	\$36,000	\$72,000
700	\$84,000	\$168,000
1000	\$120,000	\$240,000
2000	\$240,000	\$480,000
5000	\$600,000	\$1,200,000

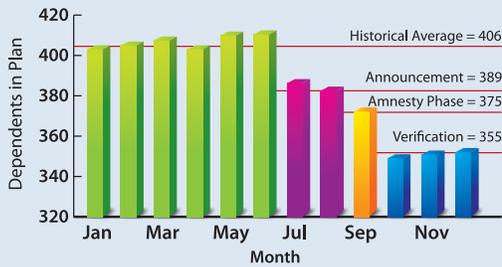
**Based on an average cost of \$2,400 per insured dependent*

Comply with the Law

The DEA approach not only ensures that your employees are adhering to eligibility guidelines, but also verifies your public entity’s compliance with insurance laws, as well as Cobra compliance. Organizations that have discovered the DEA approach not only save money, DEAs help your organization meet your fiduciary duties and maintain your entity’s reputation for accountability.

¹http://www.ifebp.org/AboutUs/PressRoom/Releases/pr_021909.htm

Drop in Dependents Due to Verification Audit



Here is a recent example of the drop in dependents due to a Dependent Eligibility Audit. This client saw a drop in dependents after simply announcing the audit, then another drop during the Amnesty Phase early in the audit process and a final drop in the Verification Phase. A total of 51 ineligible dependents were removed in just 6 months (more than 12%). At the average cost of \$2400 per dependent, that would translate to a savings of more than \$122,000 this year, and every year going forward.

How Does the BGIA Dependent Eligibility Audit Process Work?

Because each public entity is unique, every audit must be initiated differently. BGIA offers a variety of approaches and audit styles customized to your organization. From the audit planning stage through the rollout, from the verification phase to the final report for your city council and/or administration, BGIA plans and oversees every step of the process. We provide personalized collateral (including payroll stuffers, posters and announcement letters) to promote the process. BGIA's strong communication plan pre-audit and our professional performance throughout helps maintain good employee relations and limit controversy.

Why Choose BGIA?

Expertise

BGIA leads the way in providing this innovative service to New Jersey public entities. We have a deep understanding of the Dependent Eligibility Audit process and are performing these audits now. With audit methods customized to meet your public entity's needs, BGIA's team of professionals will manage the DEA process to ensure you cover only eligible dependents. In as little as 90 days we verify your eligible dependent pool, saving you money, improving accountability and reducing liability.

The Dependent Eligibility Audit is one of many valuable services BGIA provides its clients as part of their broker agreement. For prospective clients that do not currently use BGIA's brokerage service, we can offer a no-risk, gainsharing arrangement where we provide this audit service for a small percentage of the first year's annualized savings. If we cannot save your public entity money, you will not be charged.

Experience

BGIA is one of New Jersey's leading public entity benefits brokers. We have experience representing clients at all levels of New Jersey government.

Formed in 1993, BGIA has built a team of professionals who are well-known and respected in the highly-specialized field of public entity benefits consulting and brokerage. More than a consulting broker, BGIA acts as strategic partner and trusted advisor to its clients, applying in-depth knowledge and expertise to craft customized insurance and employee benefits solutions that meet each entity's needs and objectives.

Call Us Today

For more information on our no-risk Dependent Eligibility Audits or any of our other valuable services, contact BGIA today at **(800) 272-6771**.



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