



# CASE STUDY: DEPENDENT ELIGIBILITY REVIEW

California Public Employees Retirement System



**THE FACTS** Health benefits are among the largest expenditures for state and local governments. The California Public Employees Retirement System (CalPERS) elected to perform a dependent verification review that will conclude in 2015. This review, performed by HMS, was part of an effort to reduce overall healthcare costs, ensure appropriate administration of the health plan, and meet obligations to taxpayers.

To date, HMS has helped save CalPERS an estimated \$106 million through its dependent eligibility verification project: \$41 million during the amnesty phase and \$65 million through the HMS verification phase. The verification phase alone generated an estimated 3,200% return on investment. Additional savings are expected when the project is completed.

During the initial phase, CalPERS removed 8,940 ineligible dependents from the plan, representing more than 2% of dependents enrolled.



**THE NEED** After Medicaid, government employee health plans represent the next major category of healthcare spending by state and local governments.

Many states and localities are experiencing double-digit annual growth rates in premiums, with the average annual cost per employee at \$8,804.

States and localities are aggressively seeking fiscal savings to make up for increasing costs and revenue shortfalls.



**PROVEN SUCCESS** As the nation's leader in health plan cost containment solutions, HMS provides best-in-market solutions for containing costs without shifting cost to plan members, sacrificing quality of care, or compromising plan integrity. We recover more billions for our clients and save them billions more through the prevention of erroneous payments.

HMS recognizes that some states and localities already work with a third party administrator on components of their health plan's functions. We are confident that, with a depth of resources unmatched in the industry, we can identify and augment cost containment solutions for states and localities and deliver the best results.

*Calculate your potential savings with a dependent review at [employeraudits.com/calculate](http://employeraudits.com/calculate) today.*

HMS powers healthcare with integrity through payment integrity, eligibility, and coordination of benefits solutions. HMS's clients include health and human services programs in 45 states and the District of Columbia; commercial payers, including group health plans, Medicare Advantage Plans, and more than 160 Medicaid managed care plans; employers; the Centers for Medicare and Medicaid Services; and the Veterans Administration. As a result of the company's services, clients recover billions of dollars every year and save billions more through the prevention of erroneous payments.



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