

## Dependent Eligibility Audit

The State Health Plan recently announced strategic priorities and benefit changes designed to provide Plan members with stability and predictability in their health plan benefits. These changes also begin the task of lowering the state's \$43 billion in unfunded liabilities for retiree health benefits. As part of this effort, a Dependent Eligibility Verification Audit was conducted. **Allowing ineligible dependents to participate in the Plan increases the overall cost of our Plan to members and taxpayers.** The audit focused on all subscribers with dependents under the age of 75 as of April 19, 2017, **the deadline for submitting documentation was July 31, 2017.** If you have not taken action, you are encouraged to **immediately** upload, email, fax or mail in your documents using the information outlined below.

To ensure continued coverage under the Plan for those dependents, members must respond with the required documentation.

Members received several notifications, with a request to provide documentation of their dependents which will need to be provided.

Members will need to upload the required documents using the Document Center in eEnroll, the Plan's enrollment system.

## Frequently Asked Questions

### General

#### **Q1. Why is the State Health Plan asking us to verify our dependents?**

A1. The State Health Plan recently announced strategic priorities and benefit changes designed to provide Plan members with stability and predictability in their benefits and begin the task of lowering the state's \$43 billion in unfunded liabilities for retiree health benefits. The Plan is constantly working to provide the best return on investment as well as reducing complexity and building value for all Plan members. As health care costs continue to rise, it is important that all members follow the Plan's dependent eligibility requirements. Allowing ineligible individuals to continue participating in the State Health Plan increases the overall cost of our Plan to members and taxpayers. As an important step towards reducing costs and eliminating waste, the Plan is conducting an audit to verify eligibility of dependents covered by the Plan.

#### **Q2. Who must take action during the Dependent Eligibility Verification Audit?**

A2. State Health Plan subscribers must take action if they have dependents under the age of 75 as of April 19, 2017,

#### **Q3. Who is administering the dependent verification process for the State Health Plan?**

A3. Benefitfocus, the Plan's Enrollment and Eligibility vendor, administered the dependent verification process on behalf of the State Health Plan through the July 31, 2017, deadline. Post-deadline, the Plan is managing the process with its own Dependent Eligibility Audit Team. The dependent audit hotline is 866-416-4476.

**Q4. Is the dependent verification process legal?**

A4. Yes. The Plan has the right to ensure members on the Plan are eligible as defined by North Carolina statute.

**Q5. Do other Plans require participants to provide documentation to prove dependent eligibility for health care coverage?**

A5. Yes. It is common for Plans to require documentation that proves dependents' eligibility for health care coverage — either through a review process or at the time health care coverage is initially requested (e.g., at the date of benefits eligibility).

**Q6. Whom do I call if I have questions about the dependent verification process?**

A6. Please contact the State Health Plan's Dependent Eligibility Audit Team at 866-416-4476, Monday through Friday, between 8 a.m. and 5 p.m. EST.

**Q7. Who is an eligible dependent?**

A7. An eligible dependent of a covered employee includes:

- legal spouse
- children up to age 26, including natural, legally adopted, foster children, children for which the employee has legal guardianship and stepchildren of the employee.

This includes coverage for such children (described above who are over 26) who were covered by the Plan when they turned age 26 to the extent that they are physically or mentally incapacitated on the date that they turned age 26. A child is physically or mentally incapacitated if they are incapable of earning a living due to a mental or physical condition. Coverage continues for such children as long as the incapacity exists or the date coverage would otherwise end, whichever is earlier.

**Q8. How has the Plan notified members with dependents about the audit and what needs to be done?**

A8. Starting in May, members with dependents received several notifications with details about what documentation was required.

**Q9. When will I have to provide the required documentation?**

A9. The Dependent Verification Period starts May 22. Failure to respond timely and produce the required documentation may result in termination of your dependents' coverage under the Plan for the remainder of 2017.

## **Submitting Dependent Verification Documentation**

### **Q10. What types of documentation will be required?**

A10. The documentation you must provide varies based upon the type of dependent you are covering. Examples of documentation that may be requested include income tax returns, marriage certificates, or birth certificates. For a list of documents required to verify your dependents, refer to the Dependent Eligibility Verification Table that was included with the letter that was mailed to you.

### **Q11. What if I do not have a copy of my dependent's birth certificate, marriage certificate, or other required documentation?**

A11. Copies of birth certificates and other personal vital records can only be obtained from the state in which they originally were filed. The following resources may be helpful in obtaining required documentation:

- [Vital records by state](#)
- [North Carolina birth certificates and marriage licenses](#)
- [Consular report of birth abroad](#)

Obtaining records can sometimes take longer than expected. Be sure to request your records as soon as possible to ensure that they arrive in time to be submitted before the July 31 deadline.

### **Q12. What if I do not have a copy of my 2016 income tax return?**

A12. You may obtain — free of charge — an official transcript of your tax return from the IRS in one of two ways:

- [Click here](#), or
- Call the IRS at 1-800-829-1040.

### **Q13. How do I submit my required documents?**

A13. Members may submit their documentation several ways:

- Online: By logging into eEnroll and uploading the required documents into “My Document Center.”
- Email: SHPAudit@nctreasurer.com
- Fax: 919-855-5819
- By mail to:  
State Health Plan  
Attention: Dependent Audit  
3200 Atlantic Ave.  
Raleigh, NC 27604
- Please do not send in your original documents.

If you are emailing, mailing or faxing your documents, you are required to include your Full Name, Dependent's Full Name, State Health Plan ID number located on your Plan ID card and

the name of your employing unit for the documents to be accepted.

**Q14. What type of files can I upload to the online system or submit via email?**

A14. You can upload the following types of files: .jpg, .jpeg, .gif, .png, .pdf, .doc, .docx, .xls and .xlsx. If you do not have access to an electronic version of the required documents or a scanner, you can upload or email photos of documents taken from a smartphone, provided they are legible.

**Q15. My dependent documentation was issued in a foreign country and is not in English. Do I need to provide a copy of the document translated into English in order to comply with the request?**

A15. No, you do not need to have any documents translated. Please provide the documentation in the original form in which it was issued.

**Q16. How and when will I be notified of the status of my dependents?**

A16. You may check the status of the documents that you have submitted for your dependents in eEnroll through "My Document Center." After submission, and prior to approval, a highlighted message will appear to indicate that the documents are pending approval. When the documents have been approved, a message will appear to notify you that your dependents have been verified. If you submitted your document via e-mail, you also will receive an e-mail notification. If you have any questions about your submission, you may contact the Eligibility and Enrollment Support Center at 855-859-0966, Monday through Friday, between 8 a.m. and 5 p.m. EST. Please note that it will take 7-10 business days after submission before the Eligibility and Enrollment Center can confirm receipt of any faxed documents.

**Q17. Are there any size or resolution requirements for scanned or photographed documents?**

A17. There are no size or resolution requirements per se, for scanned or photographed documents; however, any electronically submitted documents must be submitted in an appropriate size and resolution to allow the Eligibility and Enrollment Support Center to be able to clearly read all pertinent information. Please review any scanned or photographed documents prior to submission to ensure that they are legible. Any documents that are not legible will not meet the submission requirements.

**Q18. In cases of a birth or marriage certificate, must an image of the entire document be submitted or is it sufficient to just submit an image of the portion of the document containing the pertinent information?**

A18. For birth or marriage certificates, an image of the entire document must be submitted in order to allow the Eligibility and Enrollment Support Center to confirm its authenticity.

**Q19. Will documents other than those included on the Dependent Eligibility Verification Audit Required Documents table be accepted?**

A19. No, the Dependent Eligibility Verification Audit Required Documents table is the official list of accepted documents for the audit. Other documents, including passports, Social Security cards, driver's licenses, and membership cards from other plans will not satisfy the documentation requirements.

**Q20. Does a dependent's name on a document have to match the dependent's name as it exists in the system?**

A20. Yes, for the Eligibility and Enrollment Support Center to validate that a document properly corresponds to a dependent, the dependent's name listed on the document must match the name as it exists in the system. Documents that contain a nickname or alternate version of a dependent's name may not be acceptable.

**Q21. Is Page 1 of the subscriber's most recent Federal Income Tax Return (1040) the only tax document that will be accepted?**

A21. Yes, Page 1 of the member's most recent 1040 is the only tax document that will be accepted. Other pages of a tax return, including the signature page, will not be accepted in lieu of Page 1. Only Page 1 contains all the pertinent information that the Eligibility and Enrollment Support Center needs to verify.

**Q22. Is Page 1 from any variation of the 1040 acceptable?**

A22. There are several different types of Federal Income Tax Returns, including, but not limited to, the 1040, 1040A, and 1040EZ. Page 1 of any variation of the 1040 will be acceptable as long as it lists the subscriber's spouse or dependents as requested.

**Q23. To prove eligibility of a spouse, does Page 1 of the 1040 have to be from a jointly filed return?**

A23. Page 1 of some variations, including the 1040 and 1040A, can be from a separately filed return, as long as it lists the subscriber's spouse. If a filer is married and files separately from his or her spouse, the 1040 and 1040A have a box to check under "Filing Status" and a field that requires the filer to still provide the spouse's name and Social Security number.

**Q24. Does Page 1 of the 1040 have to be typed? Will a copy that was filled in by hand be acceptable?**

A24. Page 1 from a handwritten 1040 will be accepted if it is on the official IRS form.

**Q25. What can a subscriber do who has not yet filed 2016 taxes because of an extension request?**

A25. Subscribers who have filed for a 2016 Federal Income Tax extension may provide a copy of their 2015 1040 if it is accompanied by proof that the subscriber has filed for a 2016 extension.

**Q26. Will a hospital record of birth or other proof of birth be acceptable in lieu of a birth certificate?**

A26. No, only Official Birth Certificates will be accepted. However, please remember that an Official Birth Certificate is not the only means to prove the eligibility of a child – you may also submit your most recent Federal Income Tax Return (1040) listing the child as a dependent to satisfy the documentation requirements. If this is not an option for you, copies of birth certificates and other personal vital records can only be obtained from the state in which they originally were filed. The following resources may be helpful in obtaining required documentation:

- [Vital records by state](#)
- [North Carolina birth certificates and marriage licenses](#)
- [Consular report of birth abroad](#)

Obtaining records can sometimes take longer than expected. Be sure to request your records as soon as possible to ensure that they arrive in time to be submitted before the July 31 deadline.

### **Privacy**

#### **Q27. Do I have to provide my Social Security number? What information must be provided and what information can I black out on my documentation?**

A27. If you are submitting any documentation that contains your Social Security number, you may black out the number using a dark-colored, indelible marker. Your Social Security number is not needed for the dependent verification process. You may also black out any account information, financial transactions, account balances and any other information that is not pertinent to the process. We will need to be able to see information such as names, birthdates, addresses, etc., to prove relationships and eligibility. If you have questions about specific documentation and what can and cannot be blacked out, please contact the Eligibility and Enrollment Support Center at 855-859-0966, Monday through Friday, between 8 a.m. and 5 p.m. EST.

#### **Q28. How do I know the personal information I submit to the Eligibility and Enrollment Support Center will be kept confidential?**

A28. All Benefitfocus employees have completed Health Insurance Portability and Accountability Act (HIPAA) training and are in compliance with HIPAA privacy guidelines. In addition, strict confidentiality and data security protocols are in place and adhered to by all Benefitfocus employees; all employees undergo background checks prior to employment. In addition, any data you provide to Benefitfocus will only be used for the Dependent Verification process; it will not be shared with any third parties.

### **Ineligibility**

#### **Q29. What do I need to do if one or more of my enrolled dependents no longer meet one of the eligibility requirements?**

A29. If one or more of your enrolled dependents no longer meet one of the eligibility requirements, please contact the Eligibility and Enrollment Support Center at 855-859-0966, Monday through Friday, between 8 a.m. and 5 p.m. EST.

#### **Q30. Will my ineligible dependents be offered COBRA coverage?**

A30. Dependents who are removed from coverage because their ineligibility was discovered during the verification process may not qualify for COBRA coverage. The exception is a dependent that has become ineligible as the result of a qualifying life event change that occurred in the last 60 days. To drop a dependent from coverage due to a qualifying life event change, contact your Health

Benefits Representative (if you are an active employee) or call the Eligibility and Enrollment Support Center at 855-859-0966, Monday through Friday, between 8 a.m. and 5 p.m. EST.

### **Making Dependent Changes**

#### **Q31. Can I change my State Health Plan enrollment elections for 2017 through the dependent verification process?**

A31. No. The Eligibility and Enrollment Support Center cannot accept requests for changes to your health plan coverage. Please contact your Health Benefits Representative (if you are an active employee) or call the Eligibility and Enrollment Support Center at 855-859-0966, Monday through Friday, between 8 a.m. and 5 p.m. EST to obtain information on when you can make changes to your health plan coverage.

#### **Q32. Can I add an eligible dependent through the dependent verification process?**

A32. No. You may not add eligible dependents as part of the dependent verification process. Please contact your Health Benefits Representative (if you are an active employee) or call the Eligibility and Enrollment Support Center at 855-859-0966, Monday through Friday, between 8 a.m. and 5 p.m. for more information about adding a dependent.

### **Non-Compliance**

#### **Q33. What happens if I am unsure about the documentation I am submitting?**

A33. Contact the Eligibility and Enrollment Support Center at 855-859-0966, Monday through Friday, between 8 a.m. and 5 p.m. EST about the appropriate documentation to submit for your dependents. In addition, information regarding documentation was included with the letter that was mailed to members to help identify the required documentation for each eligible dependent-type.

#### **Q34. What happens if I submit incomplete or unacceptable documentation?**

A34. If your document is rejected after it has been reviewed, a highlighted message will appear in eEnroll notifying you that the document was denied and a new document is required. A highlighted message, including explanation, also will appear directly under the document in your document center. If you submitted your document via e-mail, you also will receive an e-mail notification. If your document submission is incomplete (for example, two documents are required for your dependent-type and you have only uploaded one), the status in your member portal will not change until the additional required documents have been submitted. The Eligibility and Enrollment Support Center will not begin reviewing documents for a particular dependent until all required documents have been submitted for that dependent.

#### **Q35. What will happen if I do not respond by the deadline?**

A35. If you do not provide the applicable documentation, coverage for your dependents may be terminated, for the remainder of 2017. Your next opportunity to make enrollment changes, including adding dependents and submitting supporting documentation, will be during the Open Enrollment period, for coverage effective January 1, 2018, at which time you will be required to submit the verification documents.

In addition, you may be subject to a fee under the Affordable Care Act for any months that your

dependents do not have qualifying health coverage. More information regarding this fee is available through [HealthCare.gov](https://www.healthcare.gov).

**Q36. If my dependents are terminated and I believe they are eligible, what can I do?**

A36. If you are an active employee and your dependents are terminated because of this audit, you may request reinstatement by contacting your Health Benefits Representative and requesting that the HBR file an enrollment exception request. If you are a retiree or COBRA member, you must contact the State Health Plan directly by calling 919-814-4400 and ask to speak with a Customer Experience Specialist to file an exception request. All exception requests submitted to the Plan must be accompanied by the required documentation to prove the eligibility of the dependents in question. All exceptions will be evaluated using the Plan's normal exception process.