

**NYSHIP Dependent Eligibility Audit Services
#DEAS-2015-1
Sample Return On Investment Calculation**

Exhibit III.F

Example: Of 100 dependents subject to the Dependent Eligibility Audit; 7 are determined to be ineligible for NYSHIP benefits:

- 4 are enrolled in the Empire Plan; savings is based on their average claims experience
- 2 are enrolled in HMOs; removing the ineligible dependents, as they were the only dependents listed, results in the enrollee's coverage changing from Family to Individual.
- 3 of the 6 dependents are also Medicare eligible
- 1 of the dependents is a sole dependent under a Family Policy of an Enrollee who participates in the Opt-Out Program

The Savings and the Return on Investment relative to the seven dependents determined to be ineligible are calculated as follows:

1 Annualized Savings for Dependents Currently Enrolled in the Empire Plan or SEHP					
	Total Claims 2010 - 2014	# Months Enrolled in Empire Plan or SEHP 2010 - 2014	Average Monthly Claims Paid	12 Months	Average Annualized Claims Paid
	a	b	c=a/b	d	e=c*d
Dependent A	\$10,000	60	166.67	12	2,000.04
Dependent B	\$5,000	48	104.17	12	1,250.04
Dependent C	\$0	13	0.00	12	0.00
Dependent D	\$500	7	71.43	12	857.16
		Average Annual Cost Per Ineligible Dependent			1,026.81
		Number of Ineligible Dependents			4
		Total Empire Plan/SEHP Savings (1):			\$4,107.24

2 Annualized Savings for Dependents Currently Enrolled in an HMO			
	2014 Annual Family Net Premium	2014 Annual Individual Net Premium	Annualized Savings
	a	b	c=a-b
Dependent E	\$12,000	5,000	\$7,000
Dependent F	\$11,000	4,800	\$6,200
			Total HMO Savings (2):
			\$13,200

3 Annualized Savings for Dependents Currently Medicare Eligible			
	Monthly Medicare Part B Reimbursement	12 Months	Annualized Savings
Dependent A	\$104.90	12	\$1,258.80
Dependent B	\$104.90	12	\$1,258.80
Dependent E	\$104.90	12	\$1,258.80
			Total Medicare Part B Reimbursement Savings (3):
			\$3,776

4 Annualized Savings for Dependents of Enrollees who Participate in the Opt-Out Program		
	Savings for each Family Opt-Out converted to Individual Opt-Out	Annualized Savings
Dependent G	\$2,000.00	\$2,000
		Total Opt-Out Savings (4):
		\$2,000

5 Total Savings and Return on Investment Calculation	
Total Savings (5)=(1)+(2)+(3)+(4)	\$23,083.64
Total Cost of Project (6)	\$5,000
ROI = (5)/(6)	4.6