



## Department of Civil Service

ANDREW M. CUOMO  
Governor

PE16-16

**TO:** Health Benefits Administrators of Participating Employers  
**FROM:** Employee Benefits Division (EBD)  
**SUBJECT:** 2016 Dependent Eligibility Verification Audit – Appeals and Reinstatement Process  
**DATE:** August 11, 2016

Health Management Systems, Inc. (HMS) has completed the NYSHIP Dependent Eligibility Verification Audit (DEVA) for Participating Employer enrollees, retirees and their covered dependents. Enrollees were required to provide proof of eligibility for their covered dependents by June 15, 2016. HMS sent follow up correspondence to all enrollees who did not respond or provided an incomplete response to HMS, allowing for a grace period to provide necessary documentation by July 6, 2016.

### Termination of Dependents

EBD processed the termination of unverified dependents' NYSHIP coverage on July 31, 2016. Most unverified dependents were removed from NYSHIP coverage retroactive to January 1, 2016. Medicare primary dependents will be removed from NYSHIP coverage effective September 1, 2016, in accordance with CMS termination guidelines.

HBAs should review their transaction listings to identify enrollees who had dependents removed from their NYSHIP coverage as a result of the DEVA Project. Agencies will be able and are encouraged to run a report in NYBEAS which will list the enrollees whose covered dependents coverage was terminated as a result of the DEVA Project. Refer to the section titled **New NYBEAS Report: DEVA Termination and Reinstatement Report** for more information.

### 90-Day Appeal and Reinstatement Period

Enrollees requesting reinstatement must contact HMS by **October 5, 2016** and provide HMS with the required eligibility documentation. If the enrollee is unsure what documents are needed or has questions, you should refer them to HMS at 1-866-252-0527.

If the enrollee provides the appropriate documentation during this Reinstatement Period, the verified dependent(s) will be re-added to the enrollee's policy retroactive to the date of removal, thus ensuring continuous coverage.

Dependent reinstatements are processed daily through October 5 based upon information received from HMS. Once a dependent is reinstated to coverage, EBD will send a letter confirming this information.

#### NYBEAS Processing Limitations During Appeal and Reinstatement Period

During the 90-Day Appeal and Reinstatement Period, HBAs will not be able to re-add dependents whose coverage was terminated as a result of the DEVA Project. HBAs who attempt to do so in NYBEAS will receive the following error message:

#### **Transaction Denied – Dependent Deleted During DEVA**

**This transaction is not allowed, as the dependent was deleted as a result of the Dependent Eligibility Verification Audit (DEVA). Advise enrollee to immediately contact HMS, NYSHIP's DEVA vendor, at 1-866-252-0527 for instructions regarding dependent reinstatements.**

#### NYBEAS Processing After the Appeal and Reinstatement Period

After the 90-Day Appeal and Reinstatement Period has passed (after October 5, 2016), HBAs will be able to re-enroll dependents that were terminated as a result of the DEVA Project, but HBAs will need to collect the appropriate documentation and proofs as outlined in Policy Memo 139. Additionally, these dependents should be added to coverage on a current basis and are subject to applicable NYSHIP late enrollment rules; coverage begins on the 1<sup>st</sup> day of the 3<sup>rd</sup> month following the enrollee's request to re-add the dependent.

#### New NYBEAS Report: DEVA Termination and Reinstatement Report

Agencies will be able to run a report which lists the dependents terminated as a result of the DEVA Project. The report will identify the enrollee, the dependent whose coverage was terminated, the effective date of the termination of coverage, and the enrollee's address.

As dependents are reinstated during the 90-Day Appeal and Reinstatement Period, this report will be updated to reflect this information. In other words, dependents reinstated with coverage will no longer appear on this report.

This report will be called BEA\_DEVATERM. For instructions on how to run the DEVA Termination and Reinstatement Report (BEA\_DEVATERM) refer to HBA Memo PE15-15 dated September 14, 2015.

### Retirees Who Pay for NYSHIP Premium by Pension Deduction

For enrollees who had dependents removed from coverage when DEVA terminations were processed on July 31, EBD suspended sending changes in health insurance deductions and Medicare reimbursement to the Employee Retirement System (ERS) and Teachers' Retirement System (TRS). This means that enrollees will not see a change in the amount deducted for health insurance coverage from their August 31 pension allowance. EBD will resume sending changes in health insurance premium and Medicare reimbursement to ERS and TRS for the September 30 pension allowance.

By taking this action, EBD is attempting to limit the number of retroactive pension adjustments that will be processed as enrollees reach out to HMS to reinstate dependents that were removed from coverage. If an enrollee verifies a dependent that was removed from coverage by September 1, the enrollee will not have a retroactive adjustment to his or her pension allowance.

### Agency Billing Statements Affected by DEVA Project

Since EBD is suspending pension deduction changes for the August 5 billing statement, agencies will receive a credit for enrollees who experienced a change from family to individual coverage in the September 2 billing statement if **the enrollee has not reinstated his or her dependent by September 1.**

Subsequently, if as a result of an appeal, an enrollee experiences a change from individual coverage back to family coverage, agencies will see this change reflected on the next appropriate billing statement based upon when the reinstatement was processed on NYBEAS. For example, if an enrollee's dependent was reinstated retroactive to January 1, 2016 and it was processed by EBD on September 25, then the agency would expect to see this change reflected on the billing statement for November coverage dated October 7, 2016 (1<sup>st</sup> Friday of October). This is because the transaction was processed after November coverage cutoff (October 7, 2016 or the 1<sup>st</sup> Friday in October).

### Enrollee Communications

Enrollees received notices from HMS advising them which dependents were verified and which dependents were deemed to be ineligible. Additionally, EBD sent enrollees letters confirming which dependents were removed from coverage as a result of DEVA.

Samples of these letters are enclosed for your convenience.