



INSPECTOR GENERAL REPORT

2011-05-0179

September 17, 2012

SPD BENEFITS INVESTIGATIONS

Inspector General Staff Attorney Jennifer Cooper, after an investigation by Special Agent Charles E. Coffin, reports as follows:

On April 27, 2011, the Office of the Inspector General (OIG) received information from the State Personnel Department (SPD) stating that a state employee (Employee) with the Indiana Department of Corrections (DOC) possibly carried an ineligible student dependent (Student) on his state provided health insurance. The SPD requested the OIG's assistance in determining the dependent's eligibility.

During the 2009 and 2010 state provided health insurance plan years, unmarried, dependent children were eligible for coverage through the end of the calendar year of their nineteenth birthday, or until the end of the calendar year of their twenty-third birthday if the dependent child was a full-time student enrolled in an educational institution per the Benefit Handbook. Full-time status requires enrollment in twelve (12) hours of course credits for the semester. The SPD conducted a Dependent Eligibility Verification Audit (Audit) using third party

administrator Aon Consulting (Aon). The Audit revealed that Student, date of birth May 23, 1987, was enrolled under Employee's State insurance plans but did not meet the full-time student requirements for eligibility.

On June 29, 2010, Aon sent Employee a letter requesting that he complete and return the enclosed Affidavit Signature Form (Affidavit) and provide documentation for his dependents to verify their eligibility. On August 4, 2010 Aon received Employee's signed Affidavit on which he marked Student as no longer eligible for coverage. This information was relayed to SPD on the Self-Declared Report (Report) dated September 2, 2010.

Based on the Report, an SPD Benefit Specialist contacted Employee on September 16, 2010 to inquire as to why he marked Student as no longer eligible for coverage. Employee explained that Student was suspended from college in December of 2009 and had not resumed full-time student status. Employee provided SPD with Student's transcripts which revealed that Student was not a full-time student during the spring 2007, spring 2008, spring 2009, or spring and fall 2010 semesters.

As a result of the Audit, DOC personnel conducted a pre-deprivation hearing on December 16, 2010. During the hearing it was determined that, in addition to reimbursing the State for the claims paid, Employee should receive a written reprimand in lieu of a one (1) day suspension for failing to remove an ineligible dependent in a timely manner from his State benefit plans.

SPD determined that Student was covered as an ineligible dependent under Employee's medical, dental, vision, and dependent life insurance plans from January 16, 2007 through August 20, 2007, January 1, 2008 through June 9, 2008, January 1, 2009 through August 24, 2009, and from January 1, 2010 through December 31, 2010. According to SPD records, claims paid by the State on behalf of Student totaled Four Thousand Seven Hundred Thirty-One Dollars and 17/100 (\$4, 731.17) during the period of ineligibility. On April 18, 2011 SPD sent a collection letter to Employee requesting payment for claims incurred by and paid for Student. SPD received Employee's full payment in the amount of \$4,731.17 on May 2, 2011.

Dated this 17th day of September, 2012.

APPROVED BY:

/s/ David O. Thomas, Inspector General