



Policy Title	Dependent Eligibility Verification Audits
Effective Date	April 1, 2018
Supersedes	original
Approval	 Britni A. Saunders State Personnel Director
References	Contracts for state employee group health plans IC 5-10-8-7

PURPOSE

To establish procedures by which dependent eligibility verification audits will be conducted and appropriate actions taken where an employee has enrolled or carried an ineligible dependent on a state employee group health plan.

SCOPE

This policy applies to all state employees who are enrolled in a state employee group health plan.

POLICY STATEMENT

It is the policy of Indiana State Personnel Department to ensure that state employees receive cost-effective health care. Coverage of ineligible dependents increases the costs of health care for state employees; therefore, in order to reduce the costs of ineligible dependents who are improperly enrolled by state employees, regular audits of dependents will be conducted to verify that only eligible dependents are enrolled. Employees who enroll ineligible persons as dependents, or fail to remove dependents in a timely manner after they become ineligible, are subject to disciplinary action up to and including dismissal. Claims paid on behalf of dependents during the time they are ineligible will be recovered.

DEFINITIONS

Audit means a Dependent Eligibility Verification Audit, also known as DEVA.

Employee for purpose of this policy means a state government employee who is enrolled in a state employee group health plan(s).

Eligible Dependent means:

- (a) Spouse of an employee;
- (b) Any children, step-children, foster children, legally adopted children of the employee or spouse, or children who reside in the employee's home for whom the employee or spouse has been appointed legal guardian or awarded legal custody by a court, under the age of twenty-six



(26). Such child shall remain a dependent for the entire calendar month during which he or she attains age twenty-six (26).

In the event a child:

- i.) was defined as a dependent, prior to age 19, and
- ii.) meets the following disability criteria, prior to age 19:
 - (I) is incapable of self-sustaining employment by reason of mental or physical disability,
 - (II) resides with the employee at least six (6) months of the year, and
 - (III) receives 50% of his or her financial support from the parent

such child's eligibility for coverage shall continue, if satisfactory evidence of such disability and dependency is received by the TPA in accordance with the TPA's disabled dependent certification and recertification procedures. Eligibility for coverage of the dependent will continue until the employee discontinues his coverage or the disability criteria is no longer met. A dependent child of the employee who attained age 19 while covered under another health care policy and met the disability criteria specified above, is an eligible dependent for enrollment so long as no break in coverage longer than sixty-three (63) days has occurred immediately prior to enrollment. Proof of disability and prior coverage will be required. The plan requires periodic documentation from a physician after the child's attainment of the limiting age.

Ineligible Dependent means a person who does not meet the definition of Eligible Dependent.

TPA means the Third Party Administrator of State of Indiana's employee medical plans.

RESPONSIBILITIES

Employees enrolled in state employee group health plans are responsible for:

- enrolling only eligible dependents in a state employee group health care plan;
- notifying INSPD Benefits that dependent(s) should be removed from state employee group health plan(s) within 30 calendar days of that person becoming ineligible;
- providing requested documentation when selected for an audit by the deadline assigned by the State; and
- repaying any claims that were paid for an ineligible dependent.

State Personnel Benefits Division (INSPD Benefits) is responsible for:

- conducting regular audits to verify the eligibility of dependents enrolled in state employee group health plans; and
- making reasonable efforts to collect claims paid on behalf of ineligible dependents.

Agencies subject to the jurisdiction of State Personnel Department, employing state employees found to be in violation of this policy, are responsible for:

- implementing the disciplinary action recommended by INSPD for employees found in violation of this policy or the provisions of the state employee group health plan(s) in which the employee is enrolled.

PROCEDURES

INSPD Benefits will conduct audits to verify the eligibility of the dependents enrolled in state employee group health plans (plan).



- Employees selected for audits will be notified they are required to submit the requested documentation proving that each person enrolled in a plan as a dependent of that employee qualifies as an Eligible Dependent at all times the person was enrolled in a plan.
- Requested documentation must be submitted within the designated time frame stated in the notice of an audit, or any extension to which INSPD Benefits and the employee agree.
- If the employee fails to provide the requested documentation by the deadline, disciplinary action, up to and including dismissal, should be issued.
- If the available documentation supports a determination that an ineligible dependent was not timely removed from a plan during the plan year, the following actions will be taken:
 - Disciplinary action, up to and including dismissal, will be recommended to the employing agency for implementation. The level of discipline will be based on a review of any aggravating or mitigating circumstances relevant in the specific situation.
 - Claims pending for ineligible dependent(s) will be stopped.
 - Claims paid for ineligible dependent(s) will be recovered.
 - Cases may be submitted to the Office of Inspector General for further action.
- If the available documentation supports a determination that an ineligible dependent was enrolled in a plan or carried through an open enrollment period, the following actions will be taken:
 - Dismissal from employment.
 - Claims pending for ineligible dependent(s) will be stopped.
 - Claims paid for ineligible dependent(s) will be recovered.
 - Cases may be submitted to the Office of Inspector General for further action.

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