



INSPECTOR GENERAL REPORT

2011-02-0089

September 17, 2012

SPD BENEFITS INVESTIGATIONS

Inspector General Staff Attorney Jennifer Cooper, after an investigation by Special Agent Darrell D. Boehmer, reports as follows:

On February 18, 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 her 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. The Audit revealed that Employee had enrolled

Student, who was twenty-one years-old at the time of the Audit and did not attend school full-time in 2009 or 2010, in her state insurance plans.

On June 29, 2010, Aon sent Employee a letter requesting that he complete and return the enclosed Affidavit Signature Form and provide documentation for her husband and her children to verify their eligibility. Employee was able to provide all documentation required to verify her dependents' eligibility with the exception of the documentation confirming Student's full-time enrollment in school. Employee informed an SPD Benefit Specialist that Student had not attended school full-time in 2009 or 2010, but planned on attending school full-time in 2011.

According to SPD records, Student was covered as an ineligible dependent under Employee's medical, dental, vision and dependent life insurance plans from January 1, 2009 through December 21, 2010, the date he was removed from her plans. Claims paid by the State on behalf of Student when he was an ineligible dependent totaled \$1, 258.22. On December 10, 2010 SPD sent a collection letter to Employee requesting the payment of \$1,258.22 for claims incurred and paid for Student. On January 18, 2011 SPD sent a letter to the Office of the Indiana Attorney General on May 12, 2011, requesting assistance in the collection.

Dated this 17th day of September, 2012.

APPROVED BY:

/s/ David O. Thomas, Inspector General