



INSPECTOR GENERAL REPORT

2011-04-0142

September 17, 2012

SPD BENEFITS INVESTIGATIONS

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

On April 7, 2011, the Office of the Inspector General (OIG) received information from the State Personnel Department (SPD) stating that an 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. SPD conducted a Dependent Eligibility Verification Audit (Audit) using third party administrator

Aon Consulting (Aon). The Audit revealed that Student, date of birth June 9, 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 September 24, 2010, Aon received Employee's signed Affidavit along with all documentation required to verify his dependents' eligibility with the exception of full-time student documentation for Student. On December 7, 2010, Employee submitted Student's college transcript and a letter from Ivy Tech Community College. Based on the documentation provided, SPD determined that Student had not attended school as a full-time student in 2009 or 2010. The letter indicated that Student had originally enrolled as a full-time student but was withdrawn due to non-attendance.

As a result of the Audit, DOC personnel conducted pre-deprivation hearings on December 13, 2010 and December 16, 2010. During the hearings 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 1, 2009 through December 31, 2009 and from January 11, 2010 through December 31, 2010. According to SPD records, claims paid by the State on behalf of Student totaled Nineteen Thousand Four Hundred Forty-Seven Dollars and 15/100 (\$19,447.15) during the period of ineligibility. On March 8, 2011, SPD sent a collection letter to Employee requesting payment for the claims incurred by and paid for Student. On March 25, 2011, SPD sent a letter to the Office of the Indiana Attorney General (AG) requesting assistance in the collection.

Dated this 17th day of September, 2012,

APPROVED BY:

/s/ David O. Thomas, Inspector General