



## INSPECTOR GENERAL REPORT

2011-04-0167

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 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 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 her dependents to verify their eligibility. On July 15, 2010 Aon received Employee's signed Affidavit on which he marked Student, date of birth February 23, 1989, as no longer eligible for coverage. This information was relayed to SPD on the Self-Declared Report (Report) dated August 2, 2010.

Based on the Report, an SPD Benefit Specialist contacted Employee on August 16, 2010 to inquire as to why he marked Student as no longer eligible for coverage. Employee explained that Student was no longer a full-time student but failed to provide documentation verifying Student's past full-time status. Rather, he submitted Student's transcript which revealed that Student had been a part-time student during the 2009 and 2010 school years.

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, 2010. According to SPD records, claims paid by the State on behalf of Student totaled Five Thousand Seven Hundred Thirty-One Dollars and 58/100 (\$5, 731.58) during the period of ineligibility. On December 9, 2010, SPD sent a collection letter to Employee requesting the payment of \$5, 731.58 for claims incurred by and paid for Student.

On January 19, 2011 SPD sent a letter to the Office of the Indiana Attorney General requesting assistance in the collection.

As a result of the Audit, DOC personnel conducted a pre-deprivation hearing on April 19, 2011. During the hearing it was determined that 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.

Dated this 17<sup>th</sup> day of September, 2012.

APPROVED BY:

/s/ David O. Thomas, Inspector General