



INSPECTOR GENERAL REPORT

2011-05-0197

August 15, 2012

SPD AUDIT

Inspector General Staff Attorney Kristi Shute, after an investigation by Special Agent Mark Mitchell, reports as follows:

On May 27, 2011, the Office of the Inspector General (“OIG”) received information from the State Personnel Department (“SPD”) stating that an employee possibly carried ineligible dependents on his state provided health insurance. The SPD requested the OIG’s assistance in determining the dependents’ eligibility.

The SPD conducted a dependent eligibility verification audit using third party administrator AON Consulting. During the audit, it was discovered that, while the employee enrolled his daughter and son as dependents based on their full-time student status, his daughter actually did not attend school full-time in 2009 or 2010 and his son did not attend school full-time during the spring semester of 2009 and 2010.

Records show that both children were covered as ineligible dependents under their father’s medical, dental and vision insurance plans. While the son did

not incur any claims during the ineligible period, the daughter had four (4) dental claims totaling six hundred six dollars and sixty cents (\$606.60) during the ineligible period.

When contacted by Special Agent Mitchell, the employee explained that his daughter had to drop out of school unexpectedly due to an unplanned pregnancy. All medical claims associated with the pregnancy and delivery were not submitted to the state benefit program but were covered by the Medicaid program. A few months after she gave birth, the daughter saw a dentist and thought the dentist filed the claims with Medicaid for payment. It wasn't revealed until the audit that the dentist filed the claims with the state benefit program instead of with Medicaid for payment. The employee explained that he was attempting to have the dentist resubmit the claims to Medicaid so that the State could be reimbursed.

Since the employee was given a five (5) day suspension and is attempting to have Medicaid pay the claims so that the State can be made whole, this investigation is closed.

Dated this 15th day of August, 2012.

APPROVED BY:

/s/ David O. Thomas, Inspector General