



INSPECTOR GENERAL REPORT

2011-06-0209

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 June 7, 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. SPD conducted a Dependent Eligibility Verification Audit (Audit) using third party administrator

Aon Consulting (Aon). The Audit revealed that Student, date of birth January 27, 1989, 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 she complete and return the enclosed Affidavit Signature Form (Affidavit) and provide documentation for her dependents to verify their eligibility. On September 10, 2010 Aon received Employee's signed Affidavit along with all documentation required to verify her dependents' eligibility with the exception of full-time student documentation for Student. Employee subsequently provided SPD with Student's transcripts which revealed that Student was not a full-time student from January 1, 2009 through August 24, 2009 and again from January 1, 2010 through August 23, 2010.

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 August 24, 2009 and again from January 1, 2010 through August 23, 2010. According to SPD records, claims paid by the State on behalf of Student totaled Three Hundred Seventy-Six Dollars and 15/100 (\$376.15) during the period of ineligibility. On March 8, 2011 SPD sent a collection letter to Employee requesting the payment of \$12, 516.15 for claims incurred by and paid for Student. On May 11, 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 December 14, 2011. During the hearing it was determined that, in addition to reimbursing the State for any claims paid, Employee should receive a written reprimand in lieu of a one (1) day suspension for failing to remove ineligible dependents in a timely manner from her State benefit plans. On May 2, 2011 SPD received Employee's full payment in the amount of \$376.15.

Dated this 17th day of September, 2012.

APPROVED BY:

/s/ David O. Thomas, Inspector General