



## INSPECTOR GENERAL REPORT

2011-06-0211

September 17, 2012

### SPD BENEFITS INVESTIGATIONS

*Inspector General Staff Attorney Jennifer Cooper, after an investigation by Special Agent Charles E. Coffin, reports as follows:*

On June 8, 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 Family and Social Services Administration (FSSA) 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 April 22, 1988, 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 27, 2010 Aon received Employee's signed Affidavit on which she marked Student as no longer eligible for coverage. On February 23, 2011 Employee submitted a signed letter which stated that Student had not attended school in 2009 or 2010 as a full-time student. On March 1, 2011 Employee submitted Student's college transcript and high school diploma. Based on the documentation provided, SPD determined that Student had not attended school as a full-time student since his high school graduation in 2007.

As a result of the Audit, FSSA personnel conducted a pre-deprivation hearing on March 16, 2011. During the hearing it was determined that Employee should receive a ten (10) day suspension without pay for carrying an ineligible dependent on her 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, 2008 through December 31, 2010. According to SPD records, claims paid by the State on behalf of Student totaled Two Thousand Three Hundred Twelve Dollars and 22/100 (\$2,312.22) during the past two years of

ineligibility. On May 10, 2011 SPD sent a collection letter to Employee requesting the payment of the \$2,312.22 for claims incurred by and paid for Student. On June 2, 2011 SPD sent a letter to the Office of the Indiana Attorney General (AG) requesting assistance in the collection.

On October 3, 2011, Special Agent Coffin was advised that the AG had received a signed promissory note and voluntary wage assignment from Employee on August 2, 2011 and that Employee had been making regular payments in accordance with the agreement.

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

APPROVED BY:

/s/ David O. Thomas, Inspector General