



INSPECTOR GENERAL REPORT

2011-11-0308

August 20, 2012

SPD AUDIT

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

On November 2, 2011, the Office of the Inspector General (“OIG”) received information from the State Personnel Department (“SPD”) stating that an employee possibly carried an ineligible spouse on her state provided health insurance. The SPD requested the OIG’s assistance in determining the spouse’s eligibility.

Every year the SPD requires state employees to select benefits, including medical, dental and vision insurance, in what is known as open enrollment. Aside from open enrollment, employees are only permitted to change their benefit packages and insurance coverage upon the occurrence of a qualifying event, such as marriage, divorce or the birth of a child. These changes must be made within thirty (30) days of the qualifying event. During open enrollment, employees also identify spouses and dependent children who will be covered under the employee’s insurance.

In this case, the SPD learned that the employee's divorce was final on November 22, 2010, but the employee did not self-report her divorce to the SPD until October 25, 2011, which was beyond the 30 day time frame. During the time that the former spouse was enrolled as an ineligible dependent, he had one dental claim. The state also overpaid into the employee's Health Savings Account as well as dental administrative fees when it paid for a family plan instead of a single plan. The total owed to the State was one hundred thirty nine dollars and one cent (\$139.01), which the employee reimbursed in full. The employee also received a letter of reprimand.

When contacted by Special Agent Mischler, the employee explained that she reported the divorce at the same time she reported her name change to her Human Resources Department and was told she did not have to take any further action. She also removed her former spouse from her medical and vision insurance plans during the next open enrollment, but inadvertently neglected to remove him from her dental insurance plan. She advised she did not discover that her former spouse was still on her dental insurance until she took her son to the dentist and was informed that her son was not listed on her plan but that her former spouse was. She immediately contacted the SPD to notify them of the mistake. She noted that her mistake was unintentional.

Since there was no intent to defraud, the employee notified her Human Resources Department about her divorce once it was finalized, she immediately contacted the SPD once she discovered her mistake, the State has been

reimbursed in full, and the employee received a letter of reprimand, this investigation is closed.

Dated this 20th day of August, 2012.

APPROVED BY:

/s/ David O. Thomas, Inspector General