



INSPECTOR GENERAL REPORT

2013-07-0147

April 8, 2014

SPD BENEFITS-INELIGIBLE DEPENDENT

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

In July of 2013 the Office of the Inspector General (“OIG”) received information from the State Personnel Department (“SPD”) stating that an Indiana Department of Corrections (“DOC”) employee (“Employee”) possibly carried an ineligible dependent on his state provided health insurance. SPD requested the OIG’s assistance in determining the dependent’s eligibility.

SPD became aware of a possible ineligible dependent covered under Employee’s insurance plans after an email was sent from Employee’s ex-spouse to the SPD Benefits division. The email stated that Employee and his ex-spouse were divorced in October of 2012, but that she still believed she was covered under Employee’s insurance and requested more information on her coverage. Ex-spouses are not eligible for coverage under the state benefit plans and IRS guidelines and the SPD Benefit Handbook require that state employees participating in state provided insurance plans report family status changes to

SPD within 30 days of the event.¹

Special Agent Mitchell determined that Employee made two attempts to remove his ex-spouse from his benefit plans. According to the Employee, the first attempt was made after he and his ex-spouse filed for divorce. Employee stated that he was told by an SPD Benefits Section employee at this time that his spouse could not be removed until the divorce was finalized. After their divorce was finalized, Employee again contacted the SPD Benefits Section in an attempt to remove his spouse from his benefit plans, but was told that she could not be removed until Employee provided SPD with a copy of the divorce decree. Employee did not send a copy of the divorce decree to the SPD Benefits Section immediately and completed the open enrollment process in November of 2012 during which he kept his spouse on his benefit plans. Employee submitted a copy of his divorce decree the following year in May of 2013.

According to SPD records, Employee's spouse was covered as an ineligible dependent under Employee's medical, dental, and vision insurance plans from October of 2012 until May of 2013. A total of Seven Hundred Thirteen Dollars and 48/100 (\$713.48) in unauthorized medical claims was submitted on the ineligible dependent's behalf during the period of ineligibility. In addition, the State provided contributions to his Health Savings Account on the basis of his representation that he was carrying an eligible dependent on his benefit plans. These contributions exceeded the amount he should have received as a single covered employee by Eight Hundred Sixty-Two Dollars and 40/100

¹ See Employee Benefit Handbook, SPD, available at http://www.in.gov/spd/files/employee_handbook.pdf

(\$862.40). Employee received a five-day suspension without pay for maintaining an ineligible spouse on his state benefit plans. SPD has solicited the assistance of the Office of the Indiana Attorney General to collect the One Thousand Five Hundred Seventy-Five Dollars and 88/100 (\$1,575.88) in outstanding claims.

This case was presented to the Marion County Prosecutor's Office and prosecution was declined. The OIG agrees with this disposition and, accordingly, this investigation is closed.

APPROVED BY:

/s/ David O. Thomas, Inspector General