
Quarterly Eligibility Audit Overview

February 2010

Quarterly Eligibility Audits

- Eligibility audits will be performed three times during each plan year
 - 1 dependent eligibility audit for active employees
 - 1 dependent eligibility audit for retirees
 - 1 eligibility audit for COBRA enrollees
 - A single (statistically valid) sample population will be defined for each plan year
 - The audit sample for each of the defined areas of audit (active, retiree and COBRA enrollee) will be relative to the percentage of members within the sample population
 - Audits will be performed during the 2nd, 3rd and 4th quarters of the fiscal plan year
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Sample Strategy

A statistically valid audit sample (95% confidence level, 5% interval) will be obtained from the total population of members with dependents, excluding members that have been audited within the last two plan years.

EXAMPLE:

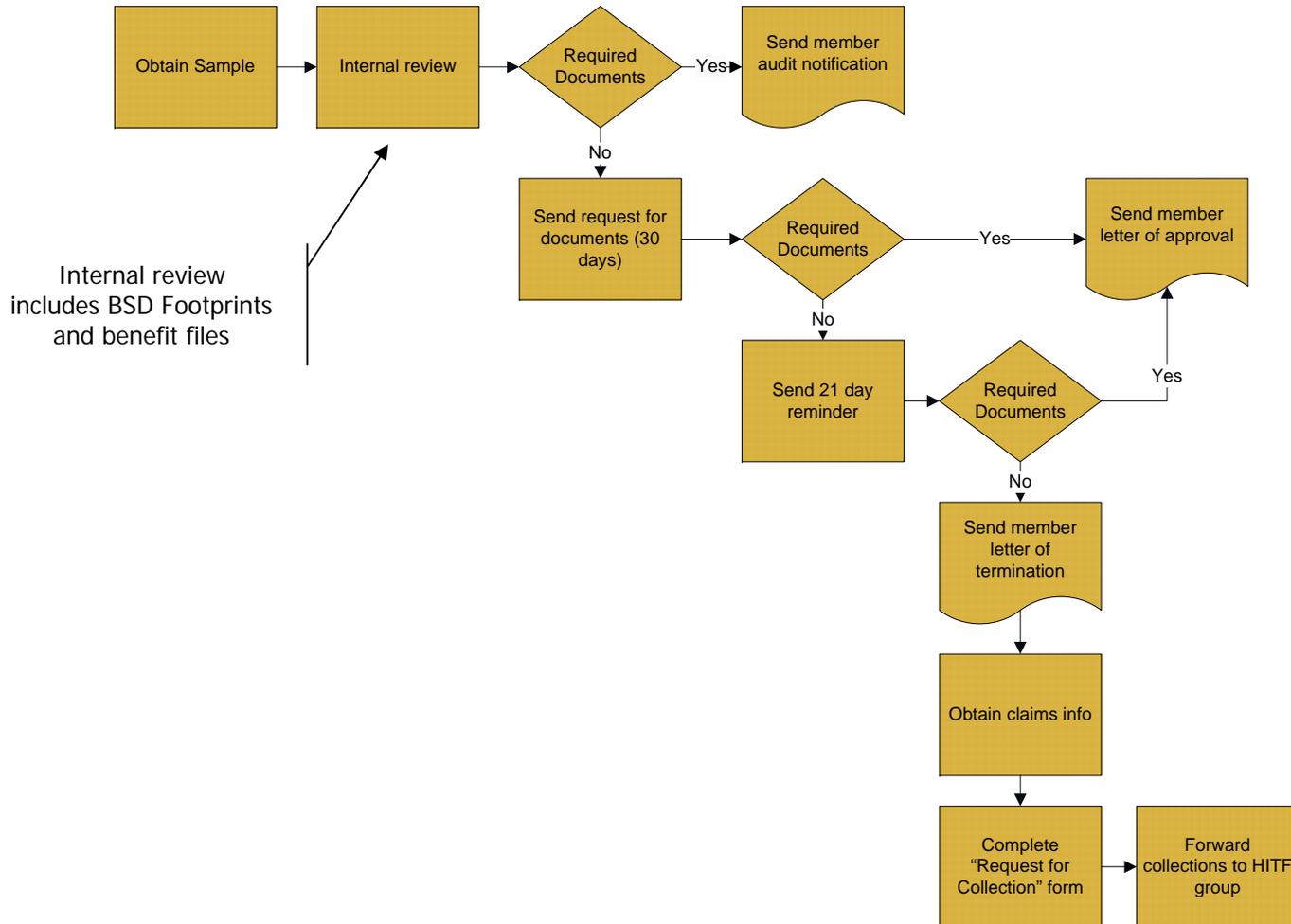
34,310	Employees with dependents
<1,032>	Members previously audited
33,278	Total audit population
<hr/>	
380	95% - 5% sample

The sample size for the previous audit was developed with a 95% confidence level and a 3% interval. Based on the audit findings the sample interval calculation was adjusted resulting in a reduced sample size for scheduled audits

Active Employees are 93.3% of the member population with dependents so the sample for the 2nd Quarter Active Employees Audit is 93.3% (355 members) of the Plan Year Sample.

Sample measurements may be adjusted based on previous audit findings

Audit Steps - Overview



Quarterly Dependent Eligibility Audit Q & A

1. What is the Quarterly Dependent Eligibility Audit?

The quarterly eligibility audit is performed by the Benefit Services Division to ensure that only eligible dependents are enrolled and receiving benefits.

2. Who is being audited?

All active employees, retirees and COBRA enrollees may be audited. Members are chosen randomly from a statistically valid sample for each plan year.

3. How often will employees be audited?

Employees can only be audited once every two years.

4. When do the quarterly audits begin?

Audits are started on the 1st day of the 2nd, 3rd and 4th quarters for each plan year (October – September).

5. Will Benefit Liaisons be required to gather any information for this audit?

Benefit Liaisons will not be asked to gather documentation however, they may be asked to assist in contacting employees who have not responded to the initial or secondary request for information.

6. How are employees being notified of the audit?

Audit information is published in the open enrollment guide at the beginning of each plan year. Employees chosen for audit will be notified by US mail.

7. Where do employees send information?

Employees can mail or bring copies of requested documentation to:

**Rosie Huntley
BSD Audit Services
100 N 15th Ave, Suite 103
Phoenix, AZ 85007**

Contact Rosie Huntley, BSD Audit Services 602-364-1129 or via email rosie.huntley@azdoa.gov if:

- **An employee loses the audit letter requesting documentation**
- **An employee brings copies to the on-site HR or Benefit Liaison**
- **An employee has questions regarding the audit, timing, or sample definition**
- **An employee is not able to provide the requested documentation**

Dependent Eligibility Audit ListServ 2.24.2010

CONTENT AREA

2010 Dependent Eligibility Audit

ISSUE/QUESTION

What is the annual Dependent Eligibility Audit?

ANSWER

Benefit Services Division has initiated the annual dependent eligibility audit for active employees to ensure that only eligible individuals are enrolled in and receiving health benefits from the Benefit Options Program. Members are selected for audit from a random sampling of Employee Identification Numbers (EIN).

The administration of the 2010 Dependent Eligibility Audit has three notable changes from the Statewide Dependent Eligibility Audit completed in June 2009.

1. The Audit Services team will review the benefit files internally prior to requesting any documentation from members.
2. Members will be asked to provide **copies** of documentation to support dependent eligibility within 30 days. Original documents will not be required unless copies are illegible.
3. Benefit Liaisons will not be asked to assist with gathering documentation, copies of requested documentation will be sent directly to the attention of :

Rosie Huntley, BSD Audit Services
100 N 15th Ave – Suite 103
Phoenix, AZ 85007

For questions or additional information, call 602-364-1129

ISSUED

February 24, 2010