

To: All PGUSD employees with MCSIG benefits  
From: Payroll  
Re: Benefits Eligibility Audit  
Date: 10/06/2011

MCSIG has been conducting an eligibility audit since June for all MCSIG participants. All active employees enrolled in a MCSIG medical, dental and/or vision plan are required to complete this audit. Therefore, we are pleased to announce that dates have been scheduled for you to complete your MCSIG benefits eligibility audit.

Beginning on October 19<sup>th</sup> staff from the Monterey County Schools Insurance Group will be coming to our district to conduct the audit. The attached memo is from April, and while the dates have changed the message remains the same. We must meet with the benefit counselors to establish eligibility in compliance with the Medicare, Medicaid and State Children's Health Insurance Plan Extension Act of 2007, along with verifying important contact information. Please read the attached memo so that you will know what you are required to bring with you to the audit.

The counselors will be at:

Forest Grove Elementary	October 19 from 8-11
Pacific Grove High School	October 19 from 1-4
Robert Down Elementary	October 20 from 8-11
Pacific Grove High School	October 20 from 1-4
Pacific Grove District Office	October 26 from 1-5

We have set the meeting locations with you in mind. They are at your site to make it as convenient as possible for you to meet with the counselor and have as little time as is necessary away from your job. Please make every effort to meet the MCSIG staff at your own school site. If it is absolutely impossible for you to meet with them at your location, you are free to go to any of the other audit sites.

The secretaries at your school will have an appointment calendar and will schedule your audit appointment. It will take approximately 5 minutes of your time to help us get this project finished. If you must come to the District Office to complete your audit, please call me at 646-6515 to schedule a meeting time.

Thank you for helping us complete this task and keep PGUSD in line with all of the other MCSIG districts. Our benefits are an important part of our employment contract and this is just a part of what makes it possible to offer you a good product now and in the future.

DATE April 30, 2011  
TO: All MCSIG Participants  
RE: **Positive Benefits Eligibility Audit**

**What is a Positive Benefits Eligibility Audit and Why is MCSIG Conducting One?**

The MCSIG Board of Directors is continually looking at every reasonable option to stabilize our health plan costs. One of the best-practice approaches is to ensure that only eligible dependents are being enrolled in the plan. For this reason, MCSIG will be conducting a Positive Benefits Eligibility Audit for all plan participants starting June 6 and continuing through October 30, 2011. Below is important information concerning the audit.

**How Will the Audit be Conducted?**

MCSIG will be conducting this audit. Audit counselors will be conducting one-on-one confidential meetings with each active MCSIG health plan enrollee to complete the audit.

**All MCSIG active health plan enrollees, including those who do not have dependent coverage, are required to meet with an audit counselor to verify their own record even if they do not have dependents enrolled in a MCSIG health plan.**

**What Will Happen During the Audit Session?**

During the confidential one-on-one meeting with an audit counselor, you will need to provide the applicable documents listed on the next page. Please be prepared to take original or certified documents with you to your meeting with the audit counselor. The documents you provide will be visually checked by the audit counselors, recorded on our audit form, and immediately handed back to you.

Please understand that these documents are essential to prove eligibility for health coverage. It is important that we all make this effort to continue to keep MCSIG's enrollment records accurate. Neither your District nor MCSIG will retain copies of these documents. MCSIG will retain a copy of the audit verification form only.

Your individual session with the audit counselor will not take more than 30 minutes and will be much less if you do not have dependent coverage. During these confidential one-on-one sessions with the audit counselor the following information will be verified:

- You and all your enrolled eligible dependents' social security numbers [The Medicare Secondary Payor-Mandatory Insurer Reporting (MSP-MRP)]

requirement of Section 111 of the Medicare, Medicaid and State Children's Health Insurance Plan Extension Act of 2007 (MMSEA) require that MCSIG report specified information to the Centers for Medicare and Medicaid Services (CMS)]. You may confirm at [www.cms.hhs.gov/mandatoryinsrep](http://www.cms.hhs.gov/mandatoryinsrep).

- Your mailing address (required) and personal e-mail address (voluntary).
- Continuing eligibility of enrolled spouse (domestic partner) dependents and verification of spouse (domestic partner) primary coverage information for coordination of benefits purposes.

At the conclusion of the audit, you may update your MCSIG life insurance beneficiary information.

### **When Will the Audit be Conducted?**

The audit sessions will begin starting June 6, 2011 and continue through October 30, 2011.

You must meet with an audit counselor during this timeframe to complete your verification audit. **Failure to complete this audit process will result in the pending of all your medical claims until the audit has been completed.**

### **What Happens if Ineligible Dependents are Discovered During the Audit?**

Any ineligible dependents discovered during the audit will be dis-enrolled from the health plans effective the first of the month following discovery. **Absent a showing of fraud, there will be no prosecution or financial penalty if non-eligible dependents are discovered during the audit, whether their coverage was purposeful or accidental. Non-eligible dependents will be granted amnesty and be dis-enrolled as of the first of the month of discovery.**

### **What Documents do I Need to Bring to the Audit?**

- **Spouse & Dependents:** If you have dependents (spouse, children, stepchildren, adopted children, foster children) enrolled in any of your health plans bring the 1<sup>st</sup> page of your 2010 Federal Tax Form to verify their legal dependent status and their social security numbers. Those employees filing for a 2010 tax extension can bring in their 2009 tax forms with their 2010 extension filing. Bring any divorce decree, child custody or support order, or any other type of court document that sets forth financial responsibility for

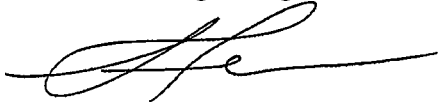
providing any of the dependent children with health care. Members with enrolled eligible dependents not claimed as dependents on their income tax should bring a copy of the dependent's social security card. Members with an enrolled spouse dependent who is eligible for health coverage through their own employer's plan need to bring their spouse's health plan information with them to the *audit* (*see reverse side*).

- **Domestic Partner:** Members with enrolled eligible Domestic Partners need to bring a copy of their domestic partner dependent's social security card or other bonafide proof of their social security number.

***NOTE; Audit Counselors will only be viewing line 1-6d of your tax form to complete your audit. Copies of your tax return will not be made or retained. You may black out any information below the "Exemptions" section of the tax form.***

***Dependent Social Security numbers may be provided to the audit counselor from Federal Tax Return or Social Security card or other bonafide means such as college transcripts.***

Thank you for your cooperation and assistance in ensuring cost-effective benefits for all MCSIG participants.



Sherrell Freeman  
Executive Director

## FREQUENTLY ASKED QUESTIONS

### **Do I need to personally meet with an Audit Counselor?**

**Yes.** The audit must be completed by the employee. The employee must show proof of eligibility and personally sign the audit form.

### **Am I required to meet with the audit counselor even though I don't currently have dependents?**

**Yes.** We are seeking a true and complete audit. Although you are enrolled with single coverage, we will still need to account for and verify information in your records.

Some of you may assume that you no longer have dependents listed under your health plans; during the audit you may find that those dependents were never removed. This will be an opportunity for you to correct any discrepancies in our records.

### **How do I schedule an appointment?**

To schedule an appointment to meet with an audit counselor, please contact the secretary at your school site. If you are unable to attend a meeting at your school site there is a meeting at the district office on October 26<sup>th</sup> that you may attend. Please call Laurel Peiffer at 646-6515 to schedule an appointment time.

Please make every effort to schedule your appointment at your work site.

### **Can I meet with my district's Benefits or Human Resources Office staff instead**

**No.** The District's Benefit and HR staff cannot meet with you for this purpose nor provide you with any previous documents submitted to HR in the past.

### **What if I refuse to meet with an audit counselor?**

All active MCSIG health plan participants must make an appointment to meet with an audit counselor, even single covered members. If you fail to complete the audit, your medical claims will be pended until your audit is complete. COBRA will not be available to a dependent who was terminated as not a valid dependent under the Plan rules.

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## **FREQUENTLY ASKED QUESTIONS**

### **Are these mandatory meetings with MCSIG Audit Counselors an invasion of privacy?**

**No.** MCSIG is subject to HIPAA Privacy Regulations and may not use or disclose any member information for any purpose other than this audit.

### **What happens if I do not complete the audit by the due date?**

Your medical claims will be pended until your audit is complete. For this reason you should not delay in making your appointment. MCSIG will not be able to see all members near the conclusion of the audit verification period and will be limited to available appointment times on the last days.

### **What if I believe that the audit counselor has been inappropriate in any way?**

We recognize that benefit audits can be somewhat uncomfortable as you are being asked to share personal information. Please be assured that the audit is being conducted in the least invasive way possible to accomplish our goals. If you feel, at anytime during the audit, that the audit counselor is being inappropriate please conclude the audit session and immediately report them to either your district administration or to MCSIG directly. MCSIG has committed to resolving any conflicts to the satisfaction of the member.



# Spouse Primary Coverage Form

(Includes domestic partners)

## PLAN YEAR 2011

**Who must complete this form?** Any member electing to cover their spouse in a MCSIG self-funded plan. Continuing members will be required to complete/return this form annually if your spouse is going to continue as a dependent on your MCSIG self-funded plan.

MCSIG participant name (printed): \_\_\_\_\_ SSN# (last 4 digits) \_\_\_\_\_

MCSIG participant district: \_\_\_\_\_

**Please check the one box that qualifies your spouse as eligible for coverage as a dependent on MCSIG:**

- 1. My spouse is unemployed, self-employed or retired; or is a MCSIG participant (employee of a MCSIG member district). District Name: \_\_\_\_\_
- 2. My spouse is employed and my spouse's employer does NOT offer medical coverage for my spouse.
- 3. My spouse is employed, my spouse's employer DOES offer medical insurance for my spouse and:
  - my spouse does not meet their employer's medical insurance eligibility requirements; or
  - my spouse's employer pays less than 75% of the employee-only medical premium; or
  - my spouse's employer pays at least 75% of the employee-only medical premium and my spouse is currently enrolled in their employer's medical insurance

**AFFIDAVIT:** I understand that my spouse must meet one of the eligibility requirements above to qualify for enrollment as my dependent in MCSIG. I certify the above information to be true and correct.

Member's Signature: \_\_\_\_\_

If box 2 or any box under 3 above is checked, have the spouse sign below and take this form to their employer to complete the spouse employer verification of coverage (below) before returning this form to MCSIG.

I authorize the release of the health care plan coverage information requested below and authorize its use in applying for dependent coverage in MCSIG.

Spouse name (printed): \_\_\_\_\_

Spouse Signature: \_\_\_\_\_ Date: \_\_\_\_\_

## SPOUSE EMPLOYER VERIFICATION OF COVERAGE

The person named above (spouse) is employed by us and:

- we do not offer employee medical insurance coverage.

We offer employee medical insurance coverage and:

- the person named above does not meet our medical insurance eligibility requirements; or
- we pay less than 75% of the employee-only medical premium; or
- we pay at least 75% of the employee-only medical premium and the person named above is/is not (circle one) enrolled in our medical insurance coverage. Plan name: \_\_\_\_\_

Authorized Employer Contact Signature: \_\_\_\_\_

Printed Name and Title: \_\_\_\_\_

Benefits Department Phone Number: \_\_\_\_\_

Employer Name: \_\_\_\_\_

**Please return this form to:** MCSIG, 76 Stephanie Drive, Salinas, CA 93901, 831-755-0161