

**Nassau County**  
**Office of the Comptroller**



**Operational Review of the Comptroller's Office**  
**Health Insurance Unit**

GEORGE MARAGOS

*Comptroller*

**February 14, 2014**

**NASSAU COUNTY**  
**OFFICE OF THE COMPTROLLER**

**George Maragos**  
*Comptroller*

Steven L. Labriola  
*Chief Deputy Comptroller*

Paul L. Meli  
*Deputy Comptroller for Audits  
And Special Projects*

Christopher Leimone  
*Counsel to the Comptroller*

Jostyn Hernandez  
*Director of Communications*

Sergio Blanco  
*Counsel to the Comptroller*

Review Staff

JoAnn Greene  
*Director of Field Audit*

Vincent Abbatiello  
*Assistant Director of Field Audit*

Louis Grimaldi  
*Senior Project Manager*

Aurora Scifo  
*Senior Project Manager*

Marie A. Fede  
*Field Auditor*

Brian Fredericks  
*Field Auditor*

## Executive Summary

---

### **Introduction:**

Nassau County provides health and optical insurance for its employees and retirees, and dental insurance for its employees only. It provides health insurance through the Empire Plan, HIP, Aetna, Vytra, and Blue Cross health insurance plans. Optical insurance is provided through Davis Vision, and dental insurance is provided through Healthplex.

### **Purpose:**

The purpose of the review was to verify the eligibility for the benefits provided, review the invoices for the various insurances paid, review the Health Insurance Unit's policies and procedures for enrolling and dis-enrolling employees and retirees, procedures for updating the Health Insurance Unit's databases and the reconciliation of the databases to provider enrollment information.

### **Summary of Significant Findings:**

We identified twelve former employees who should have had their health coverage terminated but were still enrolled as being covered. Some of these individuals dated back as far as 2003, 2005, 2006 etc. We also found another former employee who should have had her dental and vision coverage terminated but was still covered in error. We estimated the total amount of unnecessary premiums paid by the County for these former employees as of April 5, 2013 was \$362,138.

The County will only be able to recover \$65,807 (of which \$55,432 has been received in credits as of April 5, 2013) and the remainder of \$296,331 is unrecoverable. This is because the insurance carriers limit how far back credits will be applied. For four of the 13 former employees, their coverage should have been cancelled prior to 2007; however, the premiums were still being paid by the County in 2012 and for six of the former employees, the payments were still being made in 2013.

Our review also revealed one retiree who has been deceased since August 23, 2010, but as of March 19, 2013, the County was still paying this enrollee's insurance premiums. The amount of the unnecessary premiums paid by the County amounted to \$19,940. We were advised that the County expects to be able to recover the full amount.

Further, we identified that the Empire Plan billed the County twice for one active employee and the duplicate amount totaled \$15,031. We were advised that the County expects to be able to recover the full amount.

Our review estimated that a total of 669 retirees did not return their annual attestation letters required in order to maintain their insurance coverage. The Health Insurance Unit has no formal follow-up process to identify retirees who may be deceased.

The current disciplinary review process between terminated employees seeking reinstatement tends to languish, averaging 2.3 years. Maintaining health, dental, and vision insurance for 29 terminated individuals has already cost the County over one million dollars.

## Executive Summary

---

Our follow-up review of the prior 2009 audit finding related to continued health insurance coverage for police retirees' survivors revealed that the prior audit recommendation to include the marital status in the attestation letter has not been implemented. Determination of marital status is necessary for police survivors because they are entitled to lifetime health insurance benefits fully paid by the County, as long as the survivor does not remarry.

### **Summary of Significant Recommendations:**

The Health Insurance Unit should reconcile, at least quarterly, its health insurance database ("HITC") with the New York State Health Insurance Program's ("NYSHIP") enrollment database, (New York Benefits and Accounting System ("NYBEAS")), to ensure that NYSHIP's enrollment is current, and that the monthly invoices of all health, dental, and vision providers are accurate. Refunds from providers should be obtained as soon as possible.

The Health Insurance Unit should use an outside service, similar to the service the auditors used when performing this audit, to assist in identifying deceased retirees.

All retirees who do not respond to either the original or second annual attestation letter requesting verification of their current enrollment status should have their health insurance cancelled, until they attest in writing that they are still alive and eligible for coverage.

The annual attestation letter sent to police retirees and their survivors should be modified to include the enrollee's current marital status.

The County Administration should urge the Office of Labor Relations to resolve termination grievances as quickly as possible and not let these grievances languish.

\*\*\*\*\*

The matters covered in this report have been discussed with the management of the Health Insurance Unit. A draft of this report was sent to the Unit for their response. Their comments and our follow-up to their comments are included as an Appendix to this report.

---

## Table of Contents

---

	<u>Page</u>
<b>INTRODUCTION.....</b>	<b>1</b>
Background.....	1
Audit Scope, Objectives, and Methodology .....	1
<b>FINDINGS AND RECOMMENDATIONS .....</b>	<b>2</b>
Ineligible Former Nassau County Employees Still Receiving Health Insurance Coverage Cost over \$375,000 in Unnecessary Premiums.....	2
Health Insurance Premiums Were Paid for a Deceased Retiree For Over Two Years Costing the County Almost \$20,000 .....	4
Police Survivors’ Attestation Letters Lack Critical Marital Status .....	5
Lengthy Disciplinary Review Process Averaging 2.3 Years Costs the County Over One Million Dollars for Health, Dental and Vision Insurance Benefits .....	6
<b>Appendix – Payroll and Health Benefits Unit Response and Auditor’s Follow-up.....</b>	<b>7</b>

## **Introduction**

---

### **Background**

Nassau County provides health and optical insurance coverage for its employees and retirees, and dental insurance coverage for its employees only. The County participates in the New York State Health Insurance Program (“NYSHIP”), which offers health and prescription drug insurance to state and local employees through the “Empire Plan.” Pursuant to County collective bargaining agreements, in addition to the Empire Plan, County employees and retirees may opt to participate in health insurance plans offered by HIP, Aetna, Vytra, and Blue Cross. The Empire Plan is the County’s predominant health insurance carrier, representing about 98 percent of enrollments. Healthplex provides dental insurance and Davis Vision provides optical insurance.

Health insurance costs were \$250.3 million for 2012 and \$252.4 million for 2013.

The Health Insurance Unit of the Comptroller’s Office administers employee and retiree enrollments in these various insurance plans and bills for certain participant contributions where required for coverage. The Comptroller’s Office Health Insurance Unit initiates and terminates coverage for some 23,000 primary enrollees and over 25,000 dependents.

### **Audit Scope, Objectives, and Methodology**

The major objectives of the audit were to:

- Ensure that only eligible individuals are receiving health benefits;
- Ascertain that plan enrollments are maintained in accordance with County policy, union contracts and applicable laws and regulations; and
- Verify a monthly invoice for each of the various insurances.

## **Findings and Recommendations**

---

### **Audit Finding (1):**

#### **Ineligible Former Nassau County Employees Still Receiving Health Insurance Coverage Cost over \$375,000 in Unnecessary Premiums**

The Health Insurance Unit does not reconcile its health insurance database (“HITC”) of eligible enrollees with the enrollees included in the carriers’ invoices to determine the accuracy of the \$20 million of insurance invoices that are paid each month. As a result, the Health Insurance Unit was not aware that the County was still being billed for ineligible former County employees or that a carrier was billing the County twice for a current employee. As shown in Exhibit I, these errors cost the County \$377,169 in unnecessary premium payments. Further, there is a limit of six months to any corrections that the providers will make and, as such, \$296,331 of the \$377,169 cannot be recouped.

Nassau County participates in the New York State Health Insurance Program (“NYSHIP”) and provides other health insurance plan options; these are HIP HMO, Aetna, Blue Cross HMO and Vytra Network. The County also offers vision and dental plans to its eligible employees and dependents. Former Nassau County employees who have resigned or been terminated and have lost their eligibility for health insurance as a result are terminated from the Health Insurance Unit’s database, HITC, and the carrier is notified separately. For the Empire Plan, the carrier notification is accomplished when the Health Insurance Unit terminates the coverage in the New York Benefits and Accounting System (“NYBEAS”). All other carriers must be notified separately by the Health Insurance Unit.

Our comparative analysis and review of enrollees per the County’s database, HITC, and the enrollees included in the invoices received from all carriers identified:

- ten former employees who should have had their coverage terminated but still had Empire health insurance coverage. Although termination information was entered into HITC, the enrollment database of the provider, NYBEAS, was not updated;
- one former employee that requested a change in plan from HIP to Empire. The employee was enrolled in Empire; however the employee’s enrollment in HIP was not canceled;
- one former employee who still had Vytra health coverage;
- one former employee who still had dental coverage and vision coverage; and
- one current employee who was listed twice in the enrollment database of the provider (NYBEAS).

In addition, the cost of providing insurance to employees is charged back, as an accounting entry, to the departments where the employees work as a departmental expense. Due to the lack of regular reconciliations between the Health Insurance Unit’s database, HITC and NYSHIP’s database, NYBEAS, County departments were still being charged for the cost of health insurance for seven deceased former employees.

## Findings and Recommendations

---

The aforementioned errors would have been discovered and corrected and the financial impact could have been avoided if regular reconciliations were completed on a timely basis. All of the errors were communicated to the Health Insurance Unit who attempted to obtain reimbursement wherever they could.

### Exhibit I

#### Cost of Former Ineligible Employees Being Covered

Coverage Type	Date		Total Overpaid	Recovered To-Date as a Result of the Audit	Amount HI Can Still Recover	Amount HI Cannot Recover
	Coverage Should Have Been Terminated	Coverage Terminated				
1 Empire	08/22/03	10/31/12	\$ 49,295	-	\$ (2,515)	\$ 46,780
2 Empire	09/30/05	03/31/13	118,361	(11,187)	-	107,174
3 Empire	04/05/06	03/31/13	51,310	(5,100)	-	46,210
4 Empire	08/31/06	10/31/12	45,462	(3,564)	-	41,898
5 Empire	07/31/10	03/31/13	21,633	(5,100)	-	16,533
6 Empire	03/04/11	03/31/13	35,925	(11,187)	-	24,738
7 Empire	12/31/11	10/31/12	4,192	(2,935)	-	1,257
8 Empire	12/31/11	10/31/12	12,693	(8,885)	-	3,808
9 Empire	12/31/11	10/31/12	4,192	(2,935)	-	1,257
10 Empire	08/31/12	01/29/13	7,814	-	(7,814)	-
11 Vytra	09/30/12	12/01/12	1,539	(1,539)	-	-
12 HIP	12/31/11	02/01/13	9,442	(2,954)	-	6,488
13 Dental & Vision	06/30/12	12/01/12	280	(46)	(46)	188
14 Empire	Duplicate Billing		15,031	(15,031)		
<b>Totals</b>			<b>\$ 377,169</b>	<b>\$ (70,463)</b>	<b>\$ (10,375)</b>	<b>\$ 296,331</b>

### Audit Recommendation:

We recommend that the Health Insurance Unit:

- a) at least on a quarterly basis, if not monthly, reconcile its health insurance database, HITC, with:
  - i. NYSHIP's enrollment database NYBEAS to ensure that NYSHIP's Empire Plan enrollment is current; and
  - ii. the carrier invoices from HIP HMO, Aetna, Blue Cross HMO, Vytra Network, Healthplex and Davis Vision to ensure their enrollment is current.
- b) obtain refunds from the providers as soon as errors are detected, because there is a limit of six months to any corrections that the providers will make.

## **Findings and Recommendations**

---

### **Audit Finding (2):**

#### **Health Insurance Premiums Were Paid for a Deceased Retiree For Over Two Years Costing the County Almost \$20,000**

Our review revealed that the County continued to pay health insurance premiums totaling \$19,940 subsequent to a retiree's death in 2010, because the Health Insurance Unit was not aware the retiree had died. We also determined that there is no formal written process on how to follow up on the hundreds of retirees who do not return completed and signed attestation letters designed to notify the Health Insurance Unit of a change in the status of a retiree, such as death.

Retirees are required to complete and sign an annual attestation letter updating the current status of the retiree and dependents, because when retirees become deceased, their coverage should be terminated (unless they are police survivors). We were advised by the Health Insurance Unit that 13,000 attestation letters were sent in 2012 and hundreds were not returned by retirees.

When asked what the Health Insurance Unit did to follow up with a retiree who did not respond, we were told that there is no formal written process in place and that informal practices have changed over the years. For example, the prior administration did not allow the automatic termination of benefits. Current procedures are that the Health Insurance Unit tries to elicit a response from the retirees.

In order to verify that all retirees in the Empire Plan were still living, we obtained the services of an outside vendor. This vendor provided the County with a list of a few hundred people that had passed away; the Health Insurance Unit was aware of all but one of the deceased retirees. This retiree passed away on August 23, 2010 and as of March 2013, the insurance premiums were still being paid by the County. The premium cost subsequent to the date of death amounted to \$19,940. The routine use of an outside service would have saved the County this unnecessary expense. The cost for the death index search for the full review of all 21,000<sup>1</sup> enrollees was only a fraction (1/10) of the annual premium.

We also reviewed the Health Insurance Unit's records regarding the 13,000 attestation letters mailed to retirees in 2012 and determined that 283 retirees who reside outside of New York State did not return their attestation letters. The estimated annual cost of the health insurance premiums for these retirees is \$3,329,685. We were not able to determine the exact number of retirees who reside in New York State who did not return their attestation letters or the related cost, because the file containing the names was lost. The cost of the in-state retirees' coverage cannot be estimated without knowing who they are and the type of coverage they had. However, based upon the rate of non-compliance from out-of-state retirees, we estimated the number of in-state retirees who did not respond to be 386. Therefore, we estimated that a total of 669 retirees did not return their letters.

The lack of a follow-up process to cancel the health insurance coverage for all retirees who do not respond to the attestation letters increases the risk that the Health Insurance Unit will

---

<sup>1</sup> The outside service reviewed all 21,000 enrollees which included active and retired employees.

---

## Findings and Recommendations

---

unnecessarily continue coverage for deceased or otherwise ineligible retirees at the County's expense.

### **Audit Recommendation:**

We recommend that the Health Insurance Unit:

- a) obtain an outside service once a year to scan the database of covered individuals and identify the deceased;
- b) immediately seek refunds from the healthcare providers as of the date of death; and
- c) implement a written follow-up process whereby all retirees who do not respond to the annual attestation letters (or to a second request) verifying their current eligibility status will have their insurance cancelled within a certain time period.

### **Audit Finding (3):**

#### **Police Survivors' Attestation Letters Lack Critical Marital Status**

Our follow-up review of the prior 2009 audit noted that a police retiree's survivor may inappropriately continue to receive health insurance coverage upon remarriage.

Police survivors, like all County retirees, are required to complete and sign the annual attestation letters, but unlike other County retirees, police survivors are entitled to health insurance coverage for life, unless they remarry. As noted in the prior audit, the annual attestation letter sent to retirees does not request marital status, and, as a result, the Health Insurance Unit has not developed the means to be made aware of a change in the marital status of a police survivor. We found that the prior audit recommendation to include the marital status in the attestation letter has not been implemented.

Determination of marital status is necessary for police survivors because they are entitled to lifetime health insurance benefits fully paid by the County, as long as the survivor does not remarry.

### **Audit Recommendation:**

We recommend that the annual attestation letter should be modified to include the enrollee's current marital status.

## Findings and Recommendations

---

### **Audit Finding (4):**

#### **Lengthy Disciplinary Review Process Averaging 2.3 Years Costs the County Over One Million Dollars for Health, Dental and Vision Insurance Benefits**

When a terminated employee requests a disciplinary review to be reinstated, his or her health, dental and vision insurance is maintained until a determination is made. According to the Health Insurance Unit, the process is very lengthy, sometimes spanning several years. In addition, the County Department of Labor Relations does not always communicate the final outcome to the Health Insurance Unit on a timely basis, resulting in years of payment of health insurance for the terminated employees, costing over a million dollars.

We identified 29 individuals listed on the October 2012 NYSHIP Reconciliation Report who had been terminated and filed a disciplinary review for reinstatement. Eighteen of these individuals had family coverage at a cost of \$18,753 year and 11 had individual coverage at a cost of \$8,553 per year. The total annual cost of the 29 health insurance policies was \$431,648. As of October 2012, the average amount of time that had elapsed since the 29 employees were terminated was 2.3 years. At an annual healthcare cost of \$431,648 and an average grievance time span of 2.3 years, the extrapolated cost for the 2.3 years is \$992,790. When adding the additional cost of dental and vision coverage, the estimated extrapolated cost increases to \$1,037,572.

### **Audit Recommendation:**

Given the high cost of continued health, dental and vision insurance coverage during the grievance period, we recommend that the Office of Labor Relations promulgate procedures that expedite termination grievances.

**Audit Finding (1):**

**Ineligible Former Nassau County Employees Still Receiving Health Insurance Coverage Cost over \$375,000 in Unnecessary Premiums**

**Audit Recommendation:**

We recommend that the Health Insurance Unit:

- a) at least on a quarterly basis, if not monthly, reconcile its health insurance database, HITC, with:
  - i. NYSHIP’s enrollment database NYBEAS to ensure that NYSHIP’s Empire Plan enrollment is current; and
  - ii. the carrier invoices from HIP HMO, Aetna, Blue Cross HMO, Vytra Network, Healthplex and Davis Vision to ensure their enrollment is current.
- b) obtain refunds from the providers as soon as errors are detected, because there is a limit of six months to any corrections that the providers will make.

**Payroll and Health Benefits Unit Response:**

We have reviewed the above instances which were cited as findings. Listed below are our responses and explanations for several of these instances:

- Employee #1 – This individual was not an employee of the County instead the individual is the survivor of a Police Officer. In reviewing this individual she supposedly died in 2003. However, due to the NYSHIP regulations a Participating Agency cannot cancel a policy using the code “Deceased” without a death certificate. Additionally, if a policy is cancelled “Deceased”, and we later discover that the survivor is alive and entitled to the coverage, NYSHIP will NOT allow a reinstatement of the coverage. We did not receive a death certificate nor did this individual show as deceased in the Lexis Nexis report that the Field Audit unit used in Audit Finding #2. To cancel this individual’s coverage we processed it using the code “non-payment”, since we had not received a death certificate, or a response to the 2011 attestation letter. If we are provided with the death certificate for this individual we could receive additional credits from NYSHIP up to 3 years of premiums and appeal NYSHIP to obtain the full amount premiums paid after her death.
- Employees #7, #8, and #9 – These individuals were cancelled for non-response to the annual attestation that was performed at the end of the year in 2011. The reason that these were not cancelled until October was that the computer which was used to process the annual attestation was removed from the Health Insurance Unit by the Information Technology Department without the knowledge or consent of the Comptroller’s Office. This delayed the cancellation process.

---

## Appendix – Payroll and Health Benefits Unit Response and Auditor’s Follow-up

---

- Employee #10 – This is not a finding instead it is due to normal timing for health insurance due to a possible disability retirement. This individual indicated that he was getting a disability retirement from NYS. In the process of getting a disability retirement the individual receives a letter from NYS indicating their application has been accepted. However, this is not sufficient for the individual to receive health insurance as a retiree. NYSHIP requires that an award letter signed by one of four retirement specialists must be provided to us by the applicant before we can process the retirement. We did not receive this award letter and cancelled the coverage during the month in which we could receive full credit from NYSHIP. As a normal practice, we do not terminate the health insurance for an individual going thru this process before the last month in which we can receive full credit from NYSHIP.
- Employee # 11 – This is just a normal timing difference. The cancellation was processed by the 15<sup>th</sup> of the month in which the coverage was terminated, which normally occurs. The carrier had already produced the bill for the next month. We received the credits due to the County on the subsequent month’s bill.
- Employee #12 – We have contacted the carrier and are seeking to recover the full amount.

### Corrective Actions:

In order to ensure that in the future an individual is not cancelled in HITC but still remains covered with one of our health insurance carriers we have implemented the following:

- Each cancellation and option change transaction is reviewed by different auditing assistant than the one who processed the transaction in order to ensure that the cancellation was processed in both HITC and the carriers’ systems. The documents are initialed and dated by the reviewer before they are filed.
- Employees were instructed to process cancellation in the carriers’ systems before HITC since we have monthly reports from HITC that would alert us of mismatch between their status in NUHRS and their status in HITC, and an incorrect enrollment in HITC can be corrected without cost to the County.

To ensure that enrollees who do not respond to the annual attestation request are cancelled in a timely manner the following have been implemented:

- An online database and attestation system was started in 2013, which would enable us to reconcile the responses in a timely manner. Enrollees were given the option to respond online or mail back the attestation letters. Unfortunately, most of the enrollees chose to mail back the letters. We are aiming to make online mandatory for the 2014 open enrollment period.

In addition, Payroll and Health Benefits is currently in the process of changing from the current HITC and NUHRS system to one integrated PeopleSoft system. This new system allows for much greater reporting capabilities than is currently available and because all of our Human Capital Management (HCM) modules are in one single system, there will be seamless communication between job data, payroll data, time reporting data and benefits data. It will also facilitate a more efficient reconciliation of the NYSHIP enrollment database. Reconciliation of

---

## **Appendix – Payroll and Health Benefits Unit Response and Auditor’s Follow-up**

---

the NYSHIP database is time consuming and presently the health benefits unit does not have the manpower to perform this reconciliation in a timely manner. These new reports will be used to identify situations similar to those mentioned above.

### **Auditor’s Follow-up:**

*We concur with the corrective actions taken by the Payroll and Health Benefits Unit.*

### **Audit Finding (2):**

#### **Health Insurance Premiums Were Paid for a Deceased Retiree For Over Two Years Costing the County Almost \$20,000**

### **Audit Recommendation:**

We recommend that the Health Insurance Unit:

- a) obtain an outside service once a year to scan the database of covered individuals and identify the deceased;
- b) immediately seek refunds from the healthcare providers as of the date of death; and
- c) Implement a written follow-up process whereby all retirees who do not respond to the annual attestation letters (or to a second request) verifying their current eligibility status will have their insurance cancelled within a certain time period.

### **Payroll and Health Benefits Unit Response:**

For the individual cited in the finding above, Nassau County received the entire credit from NYSHIP for the time period from the individual’s date of death until the policy was cancelled. NYSHIP recognizes that at times it is difficult to verify an individual’s death as it allows for the recovery of premiums up to 3 years from the date of the enrollee’s death. This is far longer than the 6 months it allows during the normal course of business.

The Health Benefits Unit is willing to use the services of the outside vendor to scan for deceased individuals. However, please note that in the finding it was cited that the vendor provided the County with several hundred names but only one was not already known by the Health Insurance Unit; indicating that there is a process in place to cancel deceased enrollees. As indicated above, we are hesitant to cancel police and firemen survivors without definite proof of death, because the policy cannot be reinstated. Survivors who pay for their health coverage are not a risk to the County, since we can cancel for non-payment. As a result, we cancel the individuals when they stop making the required contributions.

To ensure that individuals are entitled to receive the health insurance in retirement, the Health Insurance Unit sends an annual attestation to the retirees and survivors. After the attestations are returned and scanned the Unit obtains a listing of all individuals that did not respond. This list is used to send a second notice to the individual prior to any health insurance being cancelled. For

---

## **Appendix – Payroll and Health Benefits Unit Response and Auditor’s Follow-up**

---

the attestation sent out in late 2011, the computer that was used to scan the attestations and produce the reports was removed by the Department of Information Technology without our knowledge. This hampered our efforts to complete the second notifications to the retirees or survivors that did not respond. It should also be noted that beginning with the attestation that were sent out in late 2012, the Health Benefits Unit has instituted a new system wherein the retiree or survivor can respond to the attestation electronically.

### **Auditor’s Follow-up:**

*We concur with the corrective actions taken by the Payroll and Health Benefits Unit.*

### **Audit Finding (3):**

#### **Police Survivors’ Attestation Letters Lack Critical Marital Status**

### **Audit Recommendation:**

We recommend that the annual attestation letter should be modified to include the enrollee’s current marital status.

### **Payroll and Health Benefits Unit Response:**

Within the annual attestation letter that is sent, we remind the individuals that any changes in marital status must be reported to us immediately. We agree that the attestation that is returned by the retiree or survivor does not list the marital status. We will add the enrollee’s marital status to the attestation form that is to be returned by the retiree or survivor and require them to report any differences prior to signing and returning the form.

### **Auditor’s Follow-up:**

*We concur with the corrective actions taken by the Payroll and Health Benefits Unit.*

### **Audit Finding (4):**

#### **Lengthy Disciplinary Review Process Averaging 2.3 Years Costs the County Over One Million Dollars for Health, Dental and Vision Insurance Benefits**

### **Audit Recommendation:**

Given the high cost of continued health, dental and vision insurance coverage during the grievance period, we recommend that the Office of Labor Relations promulgate procedures that expedite termination grievances.

---

## Appendix – Payroll and Health Benefits Unit Response and Auditor’s Follow-up

---

### **Payroll and Health Benefits’ Response:**

The Comptroller’s Health Insurance Unit agrees that there are some individuals for which the grievance process takes a long time. As such, prior to the audit being performed, we had already implemented a practice in which every 2 to 3 months we send the list of former employees who are receiving health insurance as the result of a grievance to the Office of Labor Relations. We request the Office of Labor Relations to certify that these individuals are still entitled to receive the health insurance.

### **Auditor’s Follow-up:**

*We concur with the corrective actions taken by the Payroll and Health Benefits Unit.*

### **Payroll and Health Benefits’ Summary Response:**

Although significant, these findings need to be placed in the context of the County’s annual health care costs of over \$250 million per year, covering over 23,000 enrollees and over 25,000 dependents.