

## City of Memphis Dependents/Retirees Eligibility Audit - FAQs

It is understandable that there are many questions pertaining to the first City of Memphis healthcare dependents/retirees eligibility audit in recent years. However, it remains our goal to make the process as efficient and pain-free as possible. We have some frequently asked questions and answers (FAQs) to help alleviate some of the anxiety that is associated with any type of audit. I trust you will find the questions helpful.

Q:	Who is BMI Audit, Inc.?
A:	BMI is an audit firm that specializes in healthcare audits including plan participant eligibility audits. The City of Memphis Internal Audit Services Center contracted with BMI to perform this audit. BMI has no authority to terminate healthcare benefits whatsoever!
Q:	Who can terminate an employee's dependent, retiree, or retiree's dependent healthcare as a result of the BMI audit?
A:	The City of Memphis, Human Resources Benefits Administrator
Q:	What City of Memphis department is responsible for audit oversight?
A:	Internal Audit Service Center led by Leon Pattman, City Auditor.
Q:	What is the best and most reliable source to get information and assistance with completing and submitting the audit forms?
A:	Call the BMI Customer Care Center at 877-634-7780.
Q:	Why shouldn't I call the City of Memphis Benefits Office with my questions?
A:	BMI has been contracted to conduct the audit using a proven and highly effective audit methodology that the City's Benefits Office does not have the expertise to explain nor provide assistance to meet audit requirements.
Q:	Who should receive an audit package?
A:	Active employees with dependents, post-65 and pre-65 retirees (surviving spouse) with dependent and post- and pre-65 without dependents enrolled in a City of Memphis sponsored healthcare plan and receiving a City subsidy.
Q:	Why doesn't the audit include active employees and post-65 retirees without dependents?
A:	There is no audit benefit to review active employees "without" dependents because all active full-time City employees are eligible and can be verified without any documentation from the employee. There is also no audit benefit to review the post-65

	retirees without dependents because post-65 retirees are entitled to a subsidy from the City.
Q:	Will each employee selected for the audit receive the same audit forms and documentation requests?
A:	No. To expedite the audit, the City and BMI divided the plan participants into groups to reduce the audit burden on employees and retirees.
Q:	How does a person obtain replacement audit documents (sent from BMI to the employee) if lost or misplaced?
A:	Call the BMI Customer Care Center at 877-634-7780.
Q:	Can employees/retirees obtain documents from their City employee file and submit to BMI to fulfill the audit request?
A:	No. BMI has to conduct an independent assessment of plan participant eligibility based on employees'/retirees' current representations and to make professional judgments regarding the authenticity of documents. Documents in the City employee files may have been marked up, copied, scanned, be of poor quality, etc. which could cause unnecessary questions regarding authenticity and eligibility.
Q:	How will the City ensure that the City did not make errors with enrollment information that results in an employee/retiree being listed on the audit exception list?
A:	The City's Internal Audit Department will perform "due diligence" (a review of employee/retiree enrollment documentation) to identify the most likely "root cause" for the problem.
Q:	If a member of the City of Memphis Medical Plans: Basic, Premier, Value or Medicare Supplemental, Medicare Advantage or Medicare Part D, enrolls spouses and/or dependents up to age 26, would the spouses and dependents be subject to the audit to ensure they are legal spouses and legal dependents?
A:	Yes. A post-65 spouse receiving the 25% City premium subsidy while enrolled in City-sponsored Medicare Supplement, Medicare Advantage and Medicare Part D Plans would have to prove they are the legal spouse of the post-65 retiree. Being "post-65" and participating in the above mentioned fully-insured products would not exempt the spouse from being audited. We would not allow an ex-spouse, girlfriend or other companion to substitute as a "legal spouse."
Q:	Are line-of-duty disability retirees required to prove their disability under this audit?
A:	No. The scope of this audit does not include medical documentation for line-of-duty disability.

Q:	Are line-of-duty disability retirees required to prove the eligibility for dependents (spouse and children)?
A:	Yes. They must prove eligibility for spouse and children.
Q:	For legally married couples where both are employed by the City of Memphis and enrolled in family coverage, does the spouse employment verification form need to be completed?
A:	No. Please write “spouse is City of Memphis employee” on the form and no employer verification is needed.
Q:	For legally married couples where both are employed by the City of Memphis with child(ren) dependent(s); are dependent verifications forms required to be completed?
A:	Yes. Please complete the form(s) for each child and include the required documentation.
Q:	In the event a dependent/retiree has been determined to be ineligible for participation in the City’s healthcare plan, when will the City terminate the coverage?
A:	Plan participants pay insurance premiums one month in advance. Therefore, the City would terminate the benefits at the end of the month for which the premiums were paid. Additionally, the City would, on a case-by-case basis, refund any partial premiums collected, if applicable.
Q:	If I am paying the spousal surcharge do I have to provide documentation from my spouse’s employer on access and/or enrollment in the spouse’s plan?
A:	No. On the audit document write “spousal surcharge paid” and return the document to BMI along with any other documentation requested.
Q:	If it has been determined that the City paid medical claims for an ineligible dependent/retiree, will the City employee/retiree face disciplinary and/or criminal action?
A:	The City’s intent is to conduct this initial audit and grant amnesty to any persons found to be responsible for obtaining benefits for which they were not eligible. However, the City, like all other municipal governments, is bound by Tennessee Statutes and if the law does not permit such amnesty, the City will follow the proper legal protocols.
Q:	Will the City’s Human Resources Benefits Office provide assistance to individuals terminated from coverage in the City’s plan as a result of the audit?
A:	Yes. The Benefits Office will provide a letter stating that coverage in the City plan was terminated and the effective date. Additionally, the Benefits Office will share information pertaining to the healthcare exchange and other coverage options.