



TENNESSEE

A C WHARTON, JR. - Mayor  
JACK SAMMONS - Chief Administrative Officer  
EXECUTIVE DIVISION  
Internal Audit Service Center  
LEON PATTMAN, CIA, CISA, CRMA, CMFO  
City Auditor

July 23, 2015

Mr. Quinton Robinson, Director  
Human Resources  
City of Memphis  
125 N. Main, Suite 406  
Memphis, Tennessee 38103

Dear Director Robinson:

BMI has completed the Healthcare Dependent/Retiree Eligibility audit. The purpose of this letter is to officially provide you with the final audit numbers from BMI. You will find the audit results in the attached table.

As you are aware, we designed the project to have an appeals phase after the audit was completed. BMI remains under contract to handle the appeals phase as well. Internal Audit will continue to assist as needed.

The final phase of the project is to identify opportunities for improvement in administration and ongoing maintenance of the healthcare plan dependents/retirees eligibility status. Upon completion of the appeals phase, we will collaboratively identify deficiencies and corrective actions.

I am grateful to our employees and retirees for their cooperation, as well as the assistance we received from your team. Please do not hesitate to contact me at 636-6241 if you have questions.

Sincerely,

Leon Pattman, CIA, CISA, CRMA, CMFO  
City Auditor

Attachment

c: A C Wharton, Jr., Mayor  
Jack Sammons, CAO  
Myron Lowery, City Council Chairman

**TABLE - BMI HEALTHCARE DEPENDENTS/RETIRES ELIGIBILITY AUDIT FINAL RESULTS**

AUDIT STATUS (Primary Insured Only)	ACTIVE EMPLOYEES		POST 65 RETIREES		PRE 65 RETIREES	
	Total	*Percent of Total	Total	*Percent of Total	Total	*Percent of Total
Complete	3001	85.87%	944	96.33%	774	86.77%
Incomplete	239	6.84%	16	1.63%	53	5.94%
No response	255	7.30%	20	2.04%	65	7.29%
<b>Total</b>	<b>3495</b>	<b>100.00%</b>	<b>980</b>	<b>100.00%</b>	<b>892</b>	<b>100.00%</b>
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AUDIT STATUS (Primary & Dependents)	ACTIVE EMPLOYEES		POST 65 RETIREES		PRE 65 RETIREES	
	Total	*Percent of Total	Total	*Percent of Total	Total	*Percent of Total
Pass	7346	83.29%	955	93.81%	1218	72.29%
Fail	288	3.27%	18	1.77%	63	3.74%
Incomplete	337	3.82%	17	1.67%	61	3.62%
Suspend	207	2.35%	8	0.79%	212	12.58%
No response	642	7.28%	20	1.96%	131	7.77%
<b>Total</b>	<b>8820</b>	<b>100.00%</b>	<b>1018</b>	<b>100.00%</b>	<b>1685</b>	<b>100.00%</b>

\*Percentages rounded to the nearest hundredth