

CORRECTIVE ACTION PLAN
INTERNAL AUDIT REPORT ON MEDICAL AND DENTAL BENEFITS AND
RETIREE HEALTH INSURANCE
June 30, 2020
AUDIT FIRM – R.S. ABRAMS

Policies and Procedures

Procedure Performed: We reviewed the District's policies, procedures, and practices with regards to the internal controls related to medical benefits, dental benefits, and retiree health insurance.

Findings: The District's collective bargaining agreements with several bargaining units, do not indicate whether these employees will be eligible for health benefits in retirement, or specify the terms. The District defaults to terms of coverage for retirees per NYSHIP's *General Information Book* for these employees.

Recommendations: We recommend the District state explicitly in all collective bargaining agreements which employees will be eligible for health benefits in retirement, and that the collective bargaining agreements either state the retiree's share of the premiums in retirement, or state that the retiree's share of the premiums in retirement will be based on NYSHIP's *General Information Book*.

District Response: The District appreciates the input provided by RS Abrams. When employees of a particular bargaining unit are eligible for health benefits, it is clearly noted in each contract. The district does not believe it is necessary to state the retiree's benefits as you are recommending. Where silent, health insurance defaults to the NYSHIP *General Information Book*. All bargaining unit contracts are drafted by legal counsel and comply with all requirements.

Finding: We noted that the approved New York State Teachers' Retirement System certifying official per form QTR-81 is the Assistant Superintendent for Business. However, the Payroll Supervisor certified the 2018-2019 *New York State Teachers' Retirement System Year End Certification* report.

Recommendation: We recommend that the approved certifying official per form QTR-81 certify the *New York State Teachers' Retirement System Year End Certification* report.

District Response: The District appreciates and agrees with the RS Abrams comment. Going forward, the Assistant Superintendent for Business will certify the year end TRS report.

Health Declinations

Procedure Performed: We selected a sample of twenty employees that received health insurance declination payments to verify the following:

- A completed, declination of health insurance form exists.
- The employee was not receiving health care coverage through a District sponsored health plan.
- The payment was properly calculated and approved.
- The employee's payroll check history indicates proper amounts were paid.

Findings: No exceptions were noted as a result of applying these procedures

Recommendation:

N/A

District Response:

N/A

Health Insurance Coverage

Procedure Performed: We selected a sample of twenty-five individuals receiving health benefits to verify the following:

- Eligibility criteria were met based on employment contracts and plan guidelines.
- A completed enrollment form is on file and contains appropriate signatures and type of coverage.
- Applicable supporting documentation is on file for coverage selected.
- Deducted amount per payroll journal agrees with employment contract.

Findings: No exceptions were found as a result of applying these procedures.

Recommendations:

N/A.

District Response:

N/A

Medicare Part B Reimbursements

Procedure Performed: We selected a sample of fifteen retirees receiving Medicare Part B reimbursements to verify the following:

- A *Medicare Part B Reimbursement Form* signed by both the retiree, and spouse if applicable, was maintained on file.
- The amount reimbursed per the Medicare check warrant issued in June 2020 was properly calculated based on the number of claimants, and the number of months being reimbursed.
- Amounts per the Social Security Administration letter or Social Security 1099 for both the retiree and spouse, where applicable, agreed to the amount reimbursed per the Medicare check warrant issued in June 2020.

Findings: We noted the District was unable to locate a Medicare card for one out of fifteen reimbursements selected.

Recommendations: We recommend the District maintain Medicare cards on file for all Medicare Part B reimbursements.

District Response: We thank RS Abrams for their comment. The District's primary source of enrollment verification is the New York Benefits Eligibility and Accounting System ("NYBEAS"), which contains the retirees Medicare ID numbers. The District makes every effort to obtain Medicare cards from retirees, however the District believes the NYBEAS verification is sufficient, as enrollment for every retiree is verified prior to the release of reimbursement.

Retirees

Procedure Performed: We selected a sample of ten retired employees and spouses receiving health insurance coverage to verify the retiree or spouse is not deceased and still receiving health benefits.

Findings: No exceptions were found as a result of applying these procedures.

Recommendation:
N/A

District Response:
N/A

Dental Claims Testing

Procedure Performed: We selected a sample of fifteen dental claims paid by the District's third-party administrator to verify the following:

- The covered member was eligible for dental insurance coverage based on employment contracts and plan guidelines; and
- A completed enrollment form was on file, contained appropriate signatures, and if the claim was paid on behalf of a dependent, family or employee and spouse coverage was elected.

Findings: No exceptions were found as a result of applying these procedures.

Recommendation:

N/A

District Response:

N/A

Flexible Spending Accounts

Procedure Performed: We selected a sample of ten employees making contributions to a District sponsored Flexible Spending Account to verify the following:

- The employee completed an enrollment form (new enrollees only) or appears on the enrollment file provided by the flex plan administrator; and
- The employee's payroll deduction is properly calculated.

Findings: No exceptions were noted as a result of applying these procedures.

Recommendation:

N/A

District Response:

N/A