

Office of the Commissioner
State of Louisiana
Division of Administration

JOHN BEL EDWARDS
GOVERNOR



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FOR IMMEDIATE RELEASE:

July 22, 2016

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OGB TO REFUND SOME MEDICARE RETIREES FOLLOWING SELF-AUDIT FINDINGS

The Office of Group Benefits released preliminary audit findings from a self-audit of its current Medicare members. The findings revealed that nearly five percent of state retirees who are enrolled in Medicare but are also enrolled in one of the state's self-insured plans had not previously verified their Medicare status with the state. This ultimately affected premium rates for those members and the state agencies where they used to work.

As a result of this self-audit, members enrolled in Medicare Parts A and B who were previously recorded as unverified Medicare recipients will be updated in OGB's records, and their premium cost will be lowered to reflect the new rate beginning Aug. 1, 2016. In addition, the administration through OGB will fully refund both members and agencies for the difference in any adjusted premium rates.

Group Benefits plan members, both active and retired, receive notification from OGB three months prior to turning 65 requesting written documentation of their enrollment with Medicare. Documentation is also requested if they are not eligible for Medicare Part A. This allows the State to make the proper adjustments to the member's premium rates. If OGB does not receive a written notice for either situation, the member will be considered unverified and will continue to be charged the non-Medicare rate.

The Centers of Medicare and Medicaid Services has recently provided the State access to Medicare records. This partnership has allowed OGB to review and audit its retired members who should be enrolled in Medicare as either a primary or secondary healthcare service provider.

“The previous administration failed to provide the oversight necessary to protect Louisiana's retirees, and now we're left to correct yet another mistake,” said Gov. John Bel Edwards. “Upon taking office, my administration began a thorough review of the state’s health program. The results showed that, for the last several years, certain Medicare recipients were overcharged. We are immediately working to correct this error and refund retirees the funds they are owed.”

“Saving money in retirement is crucial to every state employee, and this administration is committed to doing all that we can for our retirees. The bottom line is that we are going to be able to save these retirees money on their health insurance and provide them with a refund for their past premium payments,” Commissioner of Administration Jay Dardenne said.

Together with the Edwards administration, OGB is working to improve the efficiency and effectiveness of the agency and its data collection processes. This audit is part of an ongoing effort by OGB to assess and verify the accuracy of information on all plan members.

“Our partnership with the Centers of Medicare and Medicaid Services has provided us with a great tool for maintaining accurate records, but communication between OGB and our members is still very important. I want to encourage all of our members to continue that communication with us,” OGB Chief Executive Officer Susan West said.

The Office of Group Benefits strives to provide all of its members with the highest quality services available. As part of that commitment OGB will continue to examine every aspect of business in order to continue offering the best health care coverage possible.

"Conducting audits like these are critical to ensuring the accuracy of OGB’s member data and documentation. That accuracy helps us provide quality services to our members. OGB will continue this systematic look at our data and documentation processes,” West said.

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