



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/RETIREE ELIGIBILITY AUDIT FINAL RESULTS

SUMMARY:

Active employees and retirees received packets to prove their eligibility status. They were required to return the completed packets to BMI to determine their eligibility.

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%
Total	3495	100.00%	980	100.00%	892	100.00%

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%
Exempt	207	2.35%	8	0.79%	212	12.58%
No response	642	7.28%	20	1.96%	131	7.77%
Total	8820	100.00%	1018	100.00%	1685	100.00%

*Percentages rounded to the nearest hundredth

LEGEND:

Complete	- Submitted ALL documentation required by auditors
Incomplete	- Partial documentation submitted
No response	- No audit documentation submitted
Pass	- Met ALL eligibility requirements to remain on City's insurance
Failed	- Submitted ALL documentation, but did not meet ALL eligibility requirements.
Exempt	- Included in original audit population, but exempted from audit