

IMPORTANT NOTICE

December 12, 2014

TO: MCEA, MCESP, and MCCA Staff With Dependent Health and/or Dental Insurance

FROM: Payroll Office

RE: Positive Benefits Eligibility Audit

Michigan City Area Schools is looking at every reasonable option in order to contain the rise in our health care costs. One of the approaches to accomplishing this goal is to ensure that the District is paying benefits for **eligible dependents only**. Therefore, starting **January 15, 2015 and continuing through January 30, 2015, a Positive Dependent Eligibility Audit will be conducted for all benefit eligible employees**. The District will be using the services of American Fidelity Assurance (AFA), the District's Section 125 provider to conduct this audit.

During a confidential one-on-one meeting with your AFA benefit coordinator, you will need to provide the documents listed under the eligibility guidelines. Please be prepared to take original or certified documents with you to your meeting with an AFA benefit counselor. The documents you provide will be checked only by AFA benefit counselor, recorded on the audit form, and returned to you. ***Please bring your documents with you to your appointment.***

Please understand that these documents are essential to prove eligibility for health coverage. It is important that we all make this effort to continue to keep the District's health records accurate and keep health care costs down. Please be assured that the District will not receive or retain copies of these documents. The District will receive a copy of the audit verification form only.

Your individual session with the AFA benefit counselor should not take more than 25 minutes and will be less if you do not have dependent coverage. During this confidential one-on-one session with your AFA benefit coordinator, you will verify your information and he/she will also discuss your Section 125 benefit options, and other insurance programs that may be important to you. There is no obligation to purchase American Fidelity products.

All District employees, including those who do not have dependent coverage, are required to meet with an AFA benefit counselor to verify your own record even if you are not making any changes to your list of dependents.

You must meet with an AFA benefit counselor and complete your verification audit between January 15, 2015 and January 30, 2015. **Failure to complete this audit process will result in the termination of dependent coverage effective April 1, 2015. Be aware that there will be no prosecution or discipline for fraudulent dependents, whether their coverage was purposeful or accidental.**

Eligibility Guidelines and a list of frequently asked questions are attached for your information. Please call the Payroll Office at ext. 8350 or 8348 if you have questions.

Thank you for your cooperation in our Positive Eligibility Verification Audit. By removing individuals who no longer qualify for benefit coverage from our plans, we will be able to save District funds that will be applied to employee benefits.