

Meeting Date: 5/23/2017 - 6:00 PM

Category: Personnel - Votes





Type: Action

Subject: 13.2 State of New Jersey Department of Education Office of Fiscal Accountability and Compliance Internal Audit Report and Corrective Action Plan (CAP) – Health Benefits Audit 2015-2016 Fiscal Year – February 2017

Strategic Plans:

Policy:

Enclosure:

- File Attachment:**
-  CAP_HEALTH BENEFITS AUDIT 2015-2016.pdf 
 -  newarkinternal.pdf 

WHEREAS, Newark Public Schools received an OFAC report regarding the Health Benefits Audit 2015-2016 Fiscal Year, dated February 2017.

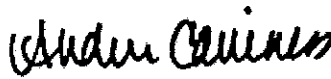
Summary: WHEREAS, N.J.A.C. 6A:23A-5.6 required the District to publicly review and discuss the finding at the Board’s next Regular Public Board Meeting.


Funding :

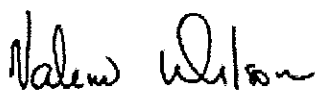
Recommendation to School Board NOW, THEREFORE, BE IT RESOLVED that Newark Public Schools has presented the Health Benefits Audit 2015-2016 Fiscal Year, dated February 2017 at the May 16, 2017 Business Meeting and the May 23, 2017 Regular Public Board Meeting.

Approvals: Recommended By:

Signed By: 
Aminta Santos - Specialist

Signed By: 
Andrea Caviness - Executive Director, Employee Services

Signed By: 
Larisa Shambaugh - Chief Talent Officer

Signed By: 
Valerie Wilson - School Business Administrator

Signed By: 
Charlotte Hitchcock - General Counsel/COS

Signed By:



Christopher D. Cerf - Superintendent

Original Motion

Member **Crystal Fonseca** Moved, Member **Dashay Carter** seconded to approve the **Original** motion 'NOW, THEREFORE, BE IT RESOLVED that Newark Public Schools has presented the Health Benefits Audit 2015-2016 Fiscal Year, dated February 2017 at the May 16, 2017 Business Meeting and the May 23, 2017 Regular Public Board Meeting.'. Upon a Roll-Call Vote being taken, the vote was: Aye: **9** Nay: **0**.

The motion **CARRIED 9 - 0**

Vote Results:

Leah Owens	Yes
Crystal Fonseca	Yes
Flohisha Johnson	Yes
Tave Padilla	Yes
Kim Gaddy	Yes
Marques-Aquill Lewis	Yes
Dashay Carter	Yes
Josephine Garcia	Yes
Reginald Bledsoe	Yes

NEW JERSEY DEPARTMENT OF EDUCATION
OFFICE OF FISCAL ACCOUNTABILITY AND COMPLIANCE
CORRECTIVE ACTION PLAN

SCHOOL DISTRICT NAME: NEWARK PUBLIC SCHOOLS COUNTY: ESSEX COUNTY

TYPE OF EXAMINATION: HEALTH BENEFITS AUDIT - 2015-2016 FISCAL YEAR

DATE OF BOARD MEETING: MAY 2017

CONTACT PERSON: LARISA SHAMBAUGH, CHIEF TALENT OFFICER

TELEPHONE NUMBER: 973-733-7252 FAX NUMBER: 973-733-7753

RECOMMENDATION NUMBER	CORRECTIVE ACTION	METHOD OF IMPLEMENTATION	INDIVIDUAL RESPONSIBLE FOR IMPLEMENTATION	COMPLETION DATE OF IMPLEMENTATION
1. The health plan and/or level of coverage indicated on the provider invoice did not agree with the District's PeopleSoft database for 215 (4.4 percent) of the 4,888 employees reviewed.	<p>During this audit review, the District was in the School Employees' Health Benefits Program (SEHBP). Employees would complete an application and the District would mail it to the SEHBP. The SEHBP would enter the information into their systems. The District could only view all enrollees via a PDF file which would contain all of the information entered from the application. Therefore, cross-referencing the data was labor intensive and not performed regularly. NPS terminated its contract with the SEHBP effective August 31, 2016 and is now with the Aetna Health Plan effective September 1, 2016.</p> <p>The District is now responsible for data entering all enrollments into the Aetna Portal. The information entered is available to us in an Excel format, listing all of our employees and their eligible enrolled dependents. Each line includes the employees' and dependents' full names, their social security numbers, dates of birth, and relationship to the employee, gender, the level of coverage, the employees' addresses, plan codes, effective dates of coverage and the effective date of termination if applicable.</p>	On a monthly basis, Aetna sends the District a secure file with the enrollees in an Excel format. Upon receipt of this file, we send it to our HR Information Systems Administrator who runs a report to compare the Aetna Extract to the equivalent fields in our System of Record, PeopleSoft. This process will then identify any exceptions and discrepancies on a report for the District to address.	Chief Talent Officer Executive Director, Employee Services Benefits Administrator HR Systems Administrator	November 2016
2. Some employees are not being	This finding is tied to the response for	The Method of Implementation	Chief Talent Officer	November 2016

<p>charged the correct health care contribution based on the coverage they are receiving.</p>	<p>Recommendation #1. The employee would complete an application with the District and we would forward it to the SEHBP. They would also review all of the supporting documentation to ensure that employees supplied the required documentation to support the dependents they are seeking to cover. The SEHBP would not share the results of the documentation review with the District; rather, SEHBP would simply reduce the coverage level for the employee. The District was responsible for updating our system based on the review of the PDF file. Again, given the difficulty of doing this with such a file, that review was not completed on a regular basis.</p> <p>Now that the District is with the Aetna Health Plan, we receive the monthly abstract in Excel which enables us to compare the coverage levels to ensure employees are paying the correct amount.</p>	<p>mentioned in Recommendation #1 will also apply here. Benefits Services will use the monthly extract to identify and correct discrepancies.</p>	<p>Executive Director, Employee Services Benefits Administrator HR Systems Administrator</p>	
<p>3. Birthdate errors were noted for 152 (3.1 percent) of 4,888 employees.</p>	<p>The audit found data entry errors were made when capturing employees' date of birthdates. The Benefits team did not verify the birthdate entered into PeopleSoft. Going forward, the Benefits team will ensure the birthdate entered into PeopleSoft is supporting by the documentation provided by the employee.</p>	<p>Benefits Services will review the employee's birthdate to ensure it is entered correctly before they enter the enrollment information into People Soft.</p>	<p>Chief Talent Officer Executive Director, Employee Services Benefits Administrator</p>	<p>April 2017</p>
<p>4. Two employees did not pay the required health care contribution for an extended period of time.</p>	<p>This corrective action refers back to recommendation # 1. Again, Aetna sends the District a monthly abstract that will enable us to identify any discrepancies, including employees who were erroneously omitted from having deduction entered into PeopleSoft.</p>	<p>The Method of Implementation mentioned in Recommendation #1 will also apply here. Benefits Services reviews the monthly abstract and addresses any discrepancies.</p>	<p>Benefits Administrator</p>	<p>November 2016</p>
<p>5. Benefits Services retroactively changed health benefits records with the use of PeopleSoft correction mode.</p>	<p>Correction mode is used to update employee records when an error is discovered and the employee's record needs to be updated. There is a means to identify if/when someone has made a change in correction mode, so the District has been able to track this.</p>	<p>We are limiting Correction Mode to the Benefits Administrator and HR Information Systems Administrator. Additionally, we are adding a Comments section that will enable us to document the reason for the change.</p>	<p>Benefits Administrator HR Systems Administrator</p>	<p>July 2017</p>

Chris Cerf (VW)
CHIEF SCHOOL ADMINISTRATOR

5/12/17
DATE

Nadene White
BOARD BUSINESS ADMINISTRATOR

5/12/17
DATE