

Health Benefits Program

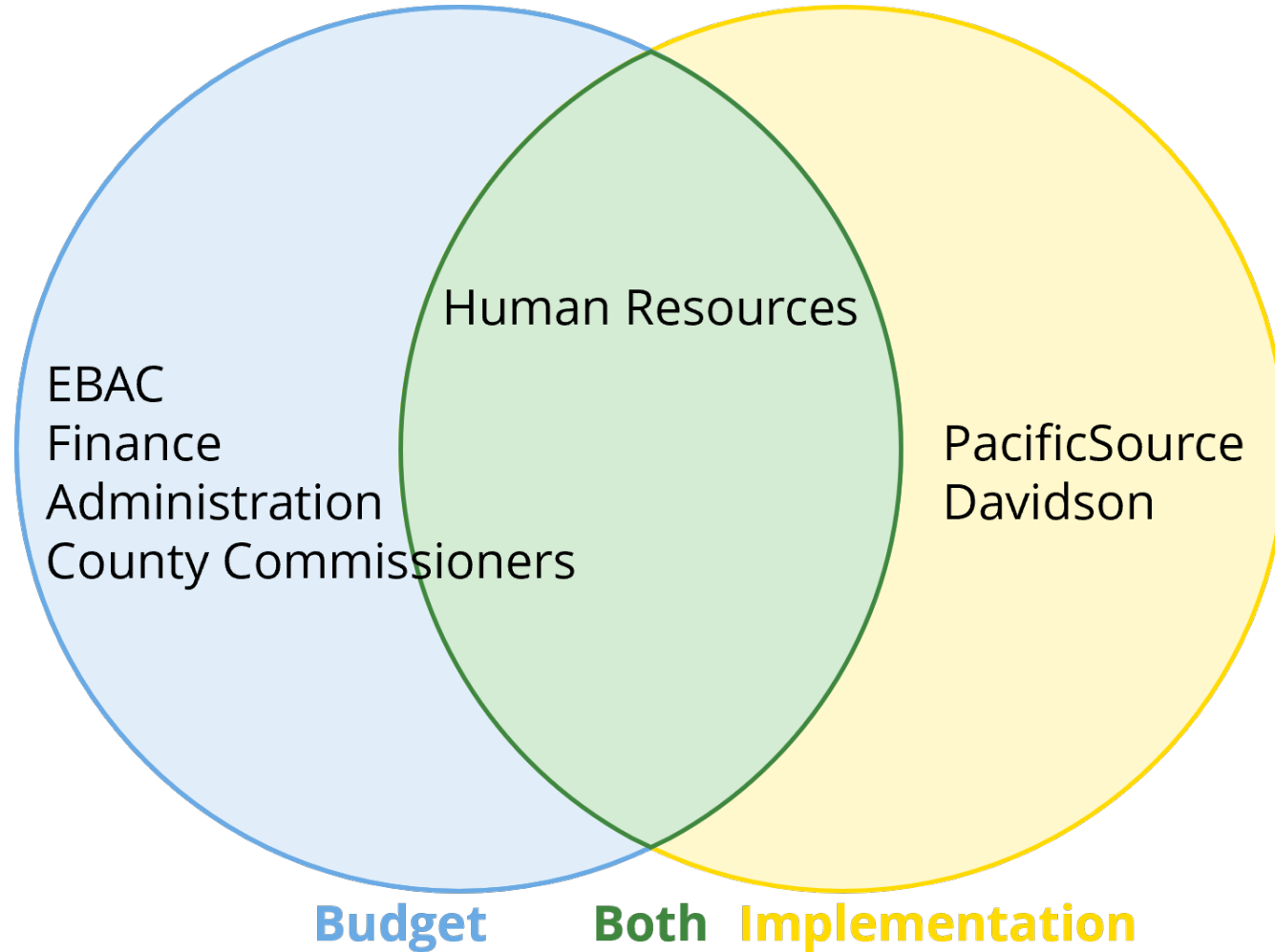
Increasing medical costs
require improved
oversight
23/24-16



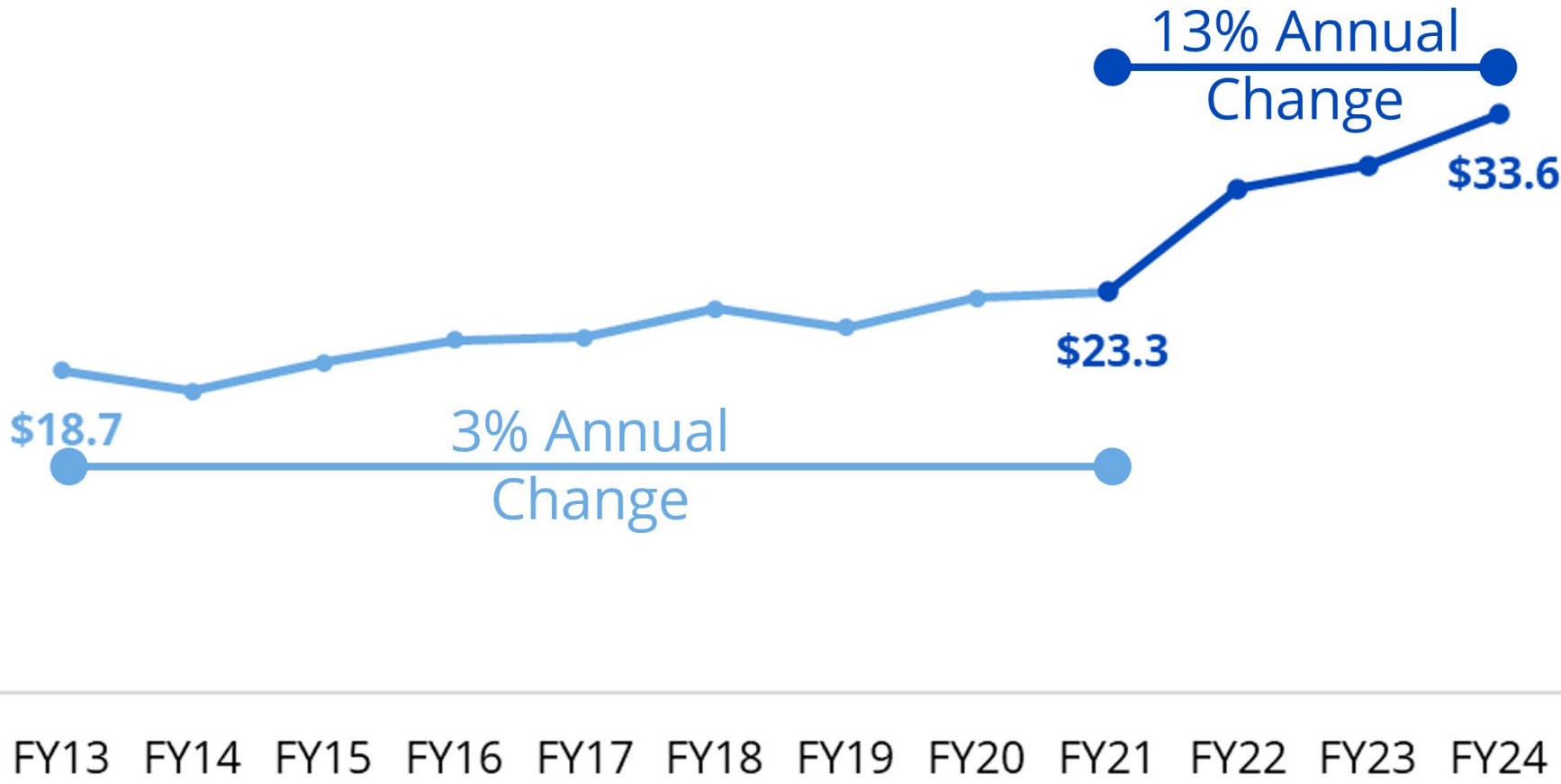
October 11, 2024

Background

Roles



Health expenses increased faster after 2023



Audit Objective

Determine whether Human Resources staff oversaw the medical health benefits program to control costs and ensure that members received the best service.



Fieldwork

Analyze
Claim Data



Reporting
from Pacific
Source

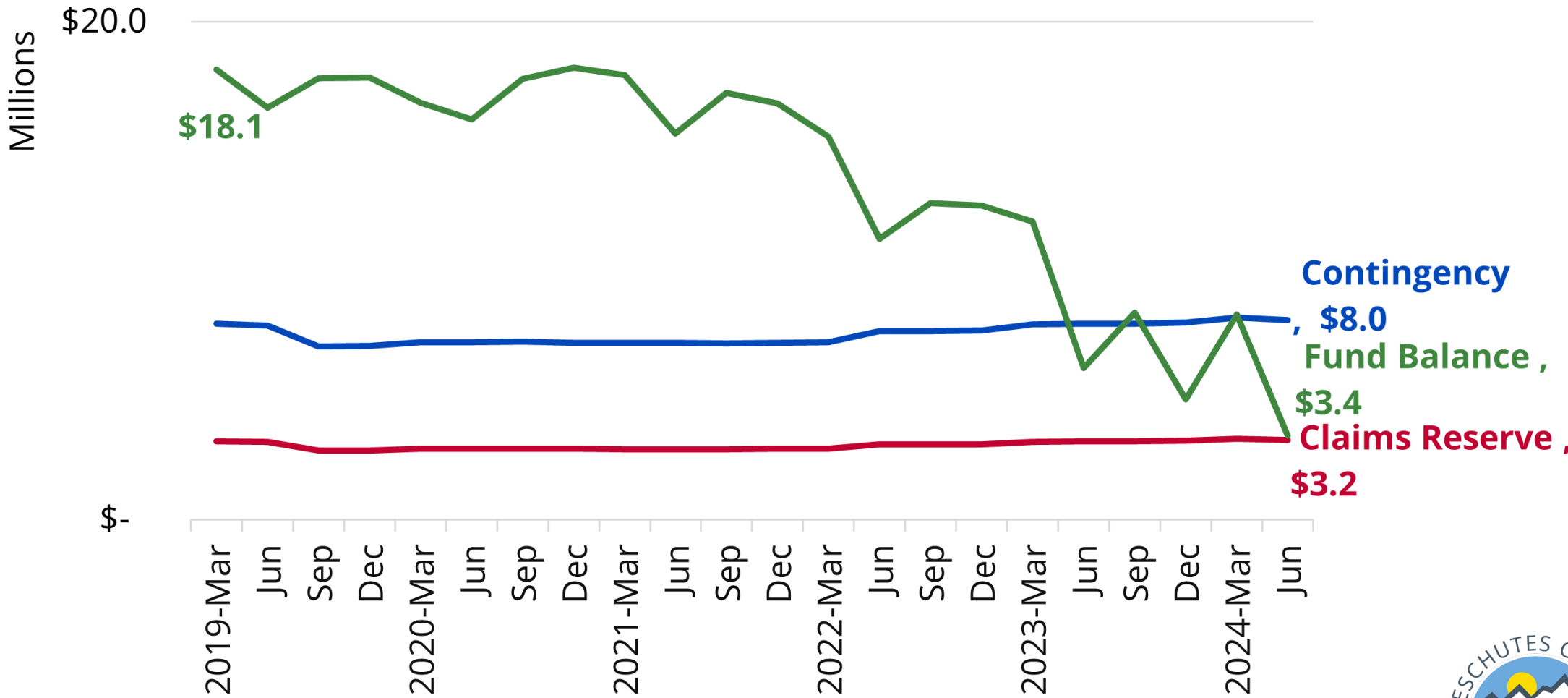


Payments
to Claim
Data



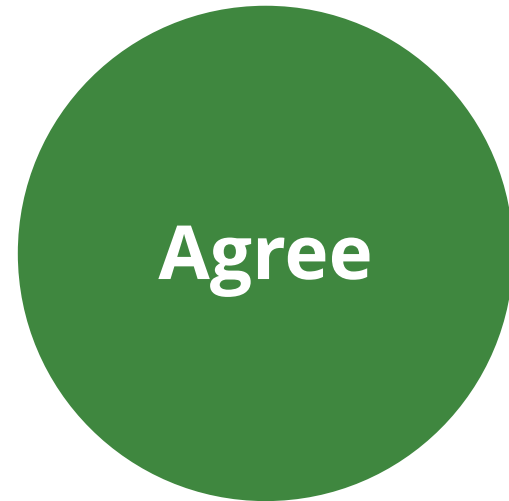
Findings and Recommendations

Reserves below level set by policy



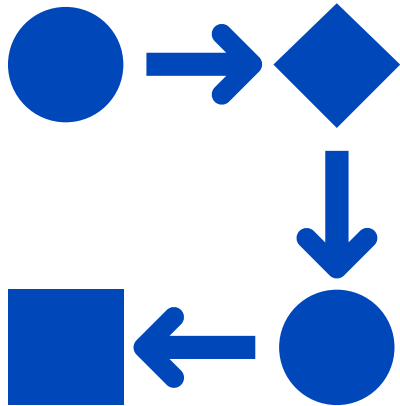
1. Recommendation

Root cause analysis and after-action report.



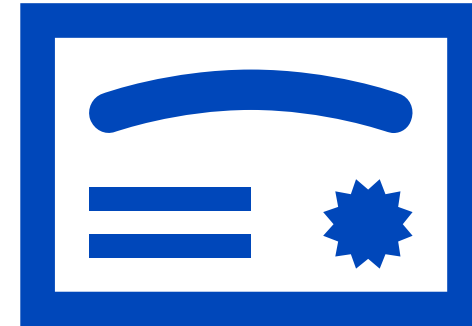
No data security reporting

Service Organization
Controls



- Explanation of control system
- How well it performs
- Complimentary controls

HITRUST



- No details
- Would not provide Corrective Action Plan



2 & 3. Recommendations

Require Service Organization Controls report.

Review report and follow-up on non-functioning controls.

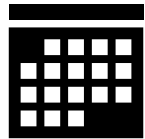


Disagree

Accept risk.



No performance reporting



	Financial Accuracy	Payment Accuracy	Turnaround
2004 Audit	98.7%	93.5%	10.9 days
2008 Audit	99.1%	96.6%	9 days
PacificSource	99.5%	Not provided	9 days
Benchmark	99.5%	97%	14 days



4 & 5. Recommendations

Add performance reporting to next contract.

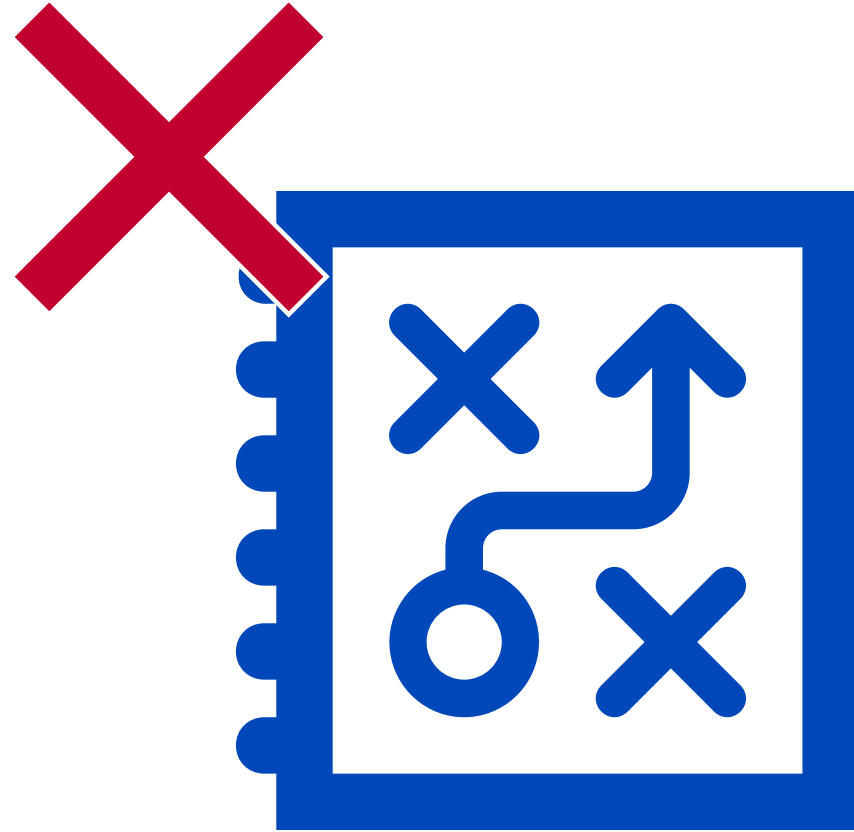
Share reporting with the benefits advisory committee.



Agree

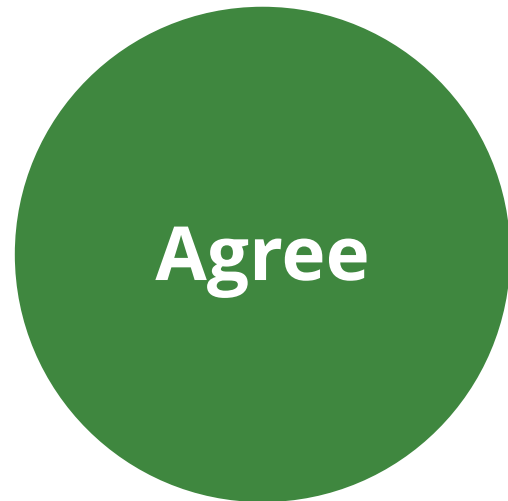


Accurate payments but no procedure



6. Recommendation

Document procedures to address the risks identified in the fraud risk assessment.



Questions and Comments?

Complete the Survey!

