

# Preparing for a US DOL Audit-Self Audit Checklist for Self-Insured Plans

The US Department of Labor has recently increased the number of routine compliance audits of group health plans. The focus of these audits is compliance with the ERISA disclosure requirements, fiduciary duties, appeals process, COBRA, HIPAA, COBRA, USERRA, Michelle's Laws of the Affordable Care Act.

Below is a checklist of items that could be included that could be required in a DOL Audit. This checklist is assumed that the employer's group health plan is self-insured and that Diversified Group is the TPA.

Documents, Records and Materials	Have	Need	N/A
<b>01.</b> Plan Document – The Plan Document is the primary legal document for the Group Health Plan. The Plan Document can be the same as the Summary Plan Description (SPD) or it can be more detailed and legalese than the SPD. If your plan is fully-insured or if you are reporting more than one welfare benefit on Form 5500 (for example, group health and Group life insurance), you will need a wrap plan document.;			
<b>02.</b> Summary Plan Description, including any changes in Plan Benefits and entitlement to benefits (i.e. plan amendments);			
<b>03.</b> All contracts with Insurance companies for provisions of health benefits;			
<b>04.</b> If self-insured, all contracts for claims processing, administrative services, and reinsurance. Examples of contracts you might apply to a self-funded plan:			
• <i>Agreements with Claims Administrator (i.e., Third Party Administrator (TPA) or ASA)</i>			
• <i>ASO contracts;</i>			
• <i>Eligibility/Enrollment Administrators (if different than TPA,)</i>			
• <i>COBRA Administrator Agreement;</i>			
• <i>Business Associate Agreements with all service providers and vendors with access to PHI;</i>			
• <i>Contracts with Plan Auditors;</i>			
• <i>Contract with Utilization Review Company;</i>			
• <i>Prescription Benefit Manager contract;</i>			
• <i>Agreement with Disease Management company;</i>			
• <i>PPO Network Access Agreement;</i>			
• <i>Excess Loss policy (Specific Stop-loss and/or Aggregate reinsurance); and</i>			
• <i>If Applicable, copy of any Collective Bargaining Agreements.</i>			

Documents, Records and Materials	Have	Need	N/A
<p><b>05.</b> Documents which describe the responsibilities of both employer and employees with respect to payment of costs associated with the purchase and maintenance of health and welfare benefits. Examples of Documents needed:</p> <ul style="list-style-type: none"> <li>• Claims Administration Agreement and Addendums</li> <li>• Plan Document</li> <li>• Summary Plan Description (SPD)</li> <li>• Enrollment materials describing employee contribution rates</li> <li>• Any other service agreements and addendums describing costs and fees pertaining to the plan</li> </ul>			
<p><b>06.</b> In accordance with the <b>Health Insurance Portability and Accountability Act (HIPAA)</b> the following documents may be requested:</p> <ul style="list-style-type: none"> <li>• Copy of the Plan's rules for enrolling in the Plan and maintaining eligibility (<i>Note: You should be prepared to identify pages of the Plan Document, SPD and other enrollment materials that describe eligibility requirements, enrollment procedures and termination of coverage provisions</i>);</li> <li>• Copy of Certification of Prior Coverage given to terminated employees, including records of certificates provided and written procedures for employees to request and receive certificates (<i>Note: HIPAA Certificates are no longer required as of January 1, 2015, due to PPACA prohibition of preexisting conditions</i>).</li> <li>• Copies of Individual Notices of preexisting condition exclusion (required until January 1, 2015) and/or proof that the Plan does not impose a preexisting condition exclusion (<i>Documents needed: SPD and a copy of the Notice given to employees with enrollment materials prior to 1/1/2015</i>).</li> <li>• Copy of written procedures and notices of special enrollment rights to individuals who lose other coverage and to individuals who acquire a new dependent, if they request enrollment within 30 days of loss of coverage, marriage, birth, or placement for adoption (<i>Documents needed: SPD, Notice of Special Enrollment Rights provided with enrollment materials and any logs or lists an administrator may have that notices were issued</i>).</li> <li>• A copy of written appeal procedures established for the Plan (<i>Documents needed: Plan Document and SPD</i>).</li> </ul>			
<p><b>07.</b> A copy of the Plan's rules regarding coverage of medical/surgical and mental health benefits, including information as to any aggregate lifetime dollar limits and annual dollar limits (<i>Documents needed: Plan Document and SPD</i>).</p>			
<p><b>08.</b> The Plan's Newborns' Act notice (<i>Document needed: Plan Document and Summary Plan Description (SPD)</i>)</p>			
<p><b>09.</b> A copy of the Plan's rules regarding pre-authorization for a hospital stay in connection with childbirth (Same as #8 above).</p>			

Documents, Records and Materials	Have	Need	N/A
<p><b>10.</b> Copy of WHCRA (Women’s Health and Cancer Rights Act) notice provided to participants and beneficiaries upon enrollment in the Plan and annually thereafter. <i>(Please contact us if you need sample notice.)</i></p>			
<p><b>11.</b> Materials describing any wellness programs or disease management programs offered by the plan. If the program offers a reward based on an individual’s ability to meet a health standard, a copy of the wellness programs disclosure statement regarding the availability of a reasonable alternative. <i>(Documents needed: materials describing the wellness program and any rewards for meeting a health standard, such as discounted rates for individuals who do not use tobacco products, complete a health risk appraisal (HRA) or participate in a biometric screening).</i></p>			
<p><b>12.</b> If the Plan is claiming grandfathered status under the Affordable Care Act, the following records may be requested:</p> <p>a. A copy of the grandfathered health status disclosure statement that the plan or coverage is believed to be a grandfathered plan and (b) contact information for questions or complaints. This statement that was required to be included in materials provided to participants and beneficiaries describing benefits under the plan. <i>(Documents needed: This disclosure should be included in Plan Document, SPD and other plan summaries, if any, describing benefits under the plan).</i></p> <p>b. Records documenting terms of the Plan in effect on March 23, 2010 and any other documents necessary to verify or explain status as a grandfathered health plan. <i>(Documents needed:</i></p> <ul style="list-style-type: none"> <li>• <i>Plan Document and SPD in effect on March 23, 2010;</i></li> <li>• <i>Plan amendments and enrollment rate sheets and coverage summaries relating to any change in terms of cost sharing (deductibles, coinsurance, copayments and out-of-pocket max), the contribution rate of the employer or employee towards the cost of coverage, annual or lifetime limits which were in effect on March 23, 2010).</i></li> <li>• <i>Any worksheets or calculations documenting that any change in cop-payment, deductible or employer contribution level did not cause the Plan to lose grandfathered status. (Note; Diversified Group has tools to assist you in determining what types of cost sharing changes that can be made without losing grandfathered status).</i></li> </ul>			
<p><b>13.</b> ACA provisions that apply only to non-grandfathered group health plans:</p> <ul style="list-style-type: none"> <li>• Documents showing benefits for emergency services in any emergency room department of a hospital ;</li> <li>• Documents relating to the provisions of preventive care services;</li> <li>• Copy of the Plan’s Internal Claim and Appeals and External Review Processes;</li> <li>• Copies of a notice of adverse benefit determination, notice of final internal adverse determination notice, and notice of final external review decision; and</li> <li>• Any contract or agreement with any independent review organization or TPA providing external review.</li> </ul>			

Documents, Records and Materials	Have	Need	N/A
<p><b>14.</b> ACA Provisions that apply to both grandfathered plans and non-grandfathered plans</p> <ul style="list-style-type: none"> <li>• Documentation that the Plan provides enrollment opportunities relating to dependent coverage of children to age 26. <i>(Documents needed: Notice of Opportunity to Enroll in Connection with Extension of Dependent Coverage to Age 26, Plan Document/SPD sections and amendments pertaining to procedures and plan provisions for enrollment of dependent children to Age 26.</i></li> <li>• If the Plan has rescinded any participants or beneficiary’s coverage, provide a list of individuals for whom coverage was rescinded along with a copy of the written notices of rescission that was provided 30 days in advance of any rescission of coverage.</li> <li>• If the Plan imposes a lifetime limit or imposes a lifetime limit at any point since September 23, 2010, provide documents showing the limits for each plan year on or after September 3, 2016. <i>(Documents needed: Plan Document/SPD and or plan amendments documenting lifetime limits in effect during the period).</i> Also provide a sample of any notice provided to employees and beneficiaries that the lifetime limits no longer apply and that the individual, if covered, is once again eligible for benefits.</li> <li>• If the Plan imposes an annual limit or has imposed an annual limit at any time since September 23, 2010 provide documents describing the limits applicable for each plan year since September 23, 2010. <i>(Documents needed: Plan Document/SPD and or plan amendments documenting annual limits in effect during the period).</i></li> </ul>			
<p><b>15.</b> Other Financial and Reporting documents and records that might be requested:</p> <ul style="list-style-type: none"> <li>• Lag Claim Reports;</li> <li>• Accounting records, such as bank statements and cancelled checks;</li> <li>• Copies of Welfare Plan Form 5500 filings (last three plan years); and</li> <li>• Summary Annual Reports (last three plan years)</li> </ul>			

**Purpose of this DOL Audit Checklist**

The purpose of this DOL Audit Checklist is to provide you with the types of documents and records that may typically be requested as part of a limited review (No Suspected Violations) by the US DOL. This checklist **is not** intended as legal advice and may not include all of the documents and records that may be requested as part of a DOL audit or review.

Please contact our Compliance Department if you need help with this checklist, receive an audit letter from the US DOL, or want more information regarding regulatory audits from the US DOL, IRS or HHS.