



# Dependent Eligibility Verification Audit for 2025 Enrollment

*FINAL REPORT*

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Prepared for  
The State Employee Health Plan  
State of Kansas

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## Executive Summary

Sagebrush Analytic Solutions LLC (Sagebrush) was engaged by the State Employee Health Plan (SEHP), State of Kansas (SOK), to conduct the annual dependent eligibility verification audit (DEVA) for 2025 enrollees. The purpose of the audit is to test for enrolled dependents who do not meet the plan requirements for eligibility.

The audit is conducted by sampling the population of 2025 enrolled dependents (spouses, step-children, and grandchildren), excluding new enrollees and dependents previously audited during the last four audits. Grandchildren were excluded, having all been selected in previous audits. New enrollees were excluded because documentation supporting eligibility must be submitted at the time of enrollment.

The population was stratified by spouses and step-children to ensure a representative number from each category was selected for audit. A stratified random sample of 200 dependents was selected for audit.

Based on previous audits, Sagebrush in 2023 recommended not sampling disabled children, since the plan already has rigorous documentation requirements of the permanent disability in order to continue a child's coverage beyond age 26. SEHP agreed with this recommendation for the 2025 audit.

The conditions for dependent eligibility are stated in the State Employees Benefit Guidebook, and these conditions were the framework for the audit. The Guidebook also describes the documentation that may be required to support dependent eligibility. From this list of documents, SEHP and Sagebrush determined the documents required to support eligibility for each category of audited dependents.

The following table summarizes the results of the audit. 7 (3.58 %) out of the 195 sampled dependents of active employees were disenrolled because of the audit. Normative data indicates up to 8% of dependents are typically disenrolled as a result of dependent eligibility audit.

## Dependent Eligibility Verification Audit

Table 1 – Summary of Audit Results

Status as of June 27, 2024	Description	Number of Samples
Completed	Submitted all required documents to support eligibility of sampled dependent	188
No Documentation	No documents were received and dependent is disenrolled	4
Voluntarily Disenrolled	Dependent was voluntarily disenrolled as a result of audit activities	3
Removed	Sample was removed from the audit, e.g. employment terminated after audit began	5
<b>Total</b>		<b>200</b>

For the terminated dependents resulting from the audit activities, the total 2024 medical and dental SEHP expenditures totaled \$9,314.87 representing the savings amount for terminating these ineligible participants. In addition to these savings, there is likely additional savings resulting from the deterrent effect of conducting these annual DEVA audits.

The following table shows the disenrollment reason and 2024 medical plus dental expense for each disenrolled sampled dependent. All 7 disenrolled dependents were disenrolled for failing to submit documentation to support plan eligibility or were voluntarily disenrolled for changes in family status or plans to term employment.

Table 2 – Disenrolled Participants

Sample #	Dependent Type	Disenrollment Reason	Total 2024 Medical + Dental Expense for Sampled Dependent
47	Spouse	No documentation submitted	\$74.03
61	Spouse	Voluntary	\$0.00
79	Spouse	Voluntary	\$7,954.91
141	Spouse	Voluntary	\$392.00
142	Spouse	No documentation submitted	\$304.33
176	Stepchild	No documentation submitted	\$426.60
182	Stepchild	No documentation submitted	\$163.00
		<b>TOTAL</b>	<b>\$9,314.87</b>

## Audit Process and Procedures

### Overview of Audit Process

Sagebrush obtained a database of 2025 enrolled dependents from SEHP and selected a random sample of 200 dependents, stratified by dependent type to ensure adequate representation of each dependent category. The population used for sampling excluded new enrollees, disabled children, and dependents previously audited during the last four audits. New enrollees and disabled children were excluded because documentation supporting eligibility must be submitted at the time of enrollment or disability status.

SEHP notified the employees via email regarding the upcoming audit. Sagebrush mailed SEHP-approved letters to each employee with a sampled dependent on April 1, 2025, notifying the participant of the audit and providing detailed information as to the required documentation to support eligibility and options for submitting the documents to Sagebrush. Employees could mail the documents in the postage-paid envelope provided, transmit the documents via facsimile, or upload the documents to a private folder on a secure server.

Sagebrush followed up with multiple emails and phone calls to solicit responses, request supplementary documents, and notify participants when their audit was successfully complete. SEHP also reached out to nonresponsive participants to solicit documents and disenrolled noncompliant participants.

The audit letter specified a deadline of May 30, 2025 for submitting the required documentation. In reality, document collection and solicitation continued through mid-June.

### Audit Procedures

Sagebrush's role in the audit included:

- Assisting the State in developing communications to employees relative to the collection of documentation for the audit, including kickoff and reminder letters.
- Collecting and reviewing documentation needed to verify the eligibility of covered dependents of employees selected for audit.
- Communicating with employees selected for audit via mail, telephone and email. This included answering questions regarding audit procedures and documents. Over 500 calls and emails were received and initiated over the course of the audit.
- Engaging in communication with the SEHP regarding issues concerning individual employees.

## Dependent Eligibility Verification Audit

- Producing reports that provide the following information:
  - A final list identifying those employees who successfully submitted documentation to verify dependents, and
  - A final list of those employees who either failed to submit the required documentation or failed to submit complete documentation.

### Tabular Detailed Findings

This section provides the detailed findings in the following tables.

- List of Successfully Completed Audits
- List of Audits with No Documents Submitted
- List of Employees Removed from Audit

Table 3 - Successfully Completed Audits (188 Samples)

Sample #	Dependent Type	Sample #	Dependent Type	Sample #	Dependent Type
2	Spouse	16	Spouse	31	Spouse
3	Spouse	17	Spouse	32	Spouse
4	Spouse	18	Spouse	33	Spouse
5	Spouse	20	Spouse	34	Spouse
6	Spouse	21	Spouse	35	Spouse
7	Spouse	22	Spouse	36	Spouse
8	Spouse	23	Spouse	37	Spouse
9	Spouse	24	Spouse	38	Spouse
10	Spouse	25	Spouse	39	Spouse
11	Spouse	26	Spouse	40	Spouse
12	Spouse	27	Spouse	41	Spouse
13	Spouse	28	Spouse	42	Spouse
14	Spouse	29	Spouse	43	Spouse
15	Spouse	30	Spouse	44	Spouse

## Dependent Eligibility Verification Audit

Sample #	Dependent Type	Sample #	Dependent Type	Sample #	Dependent Type
45	Spouse	87	Spouse	128	Spouse
46	Spouse	88	Spouse	129	Spouse
48	Spouse	89	Spouse	130	Spouse
49	Spouse	90	Spouse	131	Spouse
50	Spouse	91	Spouse	132	Spouse
51	Spouse	92	Spouse	133	Spouse
52	Spouse	93	Spouse	134	Spouse
53	Spouse	94	Spouse	135	Spouse
54	Spouse	95	Spouse	136	Spouse
55	Spouse	97	Spouse	137	Spouse
56	Spouse	98	Spouse	138	Spouse
57	Spouse	99	Spouse	139	Spouse
58	Spouse	100	Spouse	140	Spouse
59	Spouse	101	Spouse	143	Spouse
60	Spouse	102	Spouse	144	Spouse
62	Spouse	104	Spouse	145	Spouse
63	Spouse	105	Spouse	146	Spouse
64	Spouse	106	Spouse	147	Spouse
65	Spouse	107	Spouse	148	Spouse
66	Spouse	108	Spouse	149	Spouse
67	Spouse	109	Spouse	150	Spouse
68	Spouse	110	Spouse	151	Spouse
69	Spouse	111	Spouse	152	Spouse
70	Spouse	112	Spouse	153	Spouse
71	Spouse	113	Spouse	154	Spouse
72	Spouse	114	Spouse	155	Spouse
73	Spouse	115	Spouse	156	Spouse
74	Spouse	116	Spouse	157	Spouse
75	Spouse	117	Spouse	158	Spouse
76	Spouse	118	Spouse	159	Spouse
77	Spouse	119	Spouse	160	Spouse
78	Spouse	120	Spouse	161	Spouse
80	Spouse	121	Spouse	162	Spouse
81	Spouse	122	Spouse	163	Spouse
82	Spouse	123	Spouse	164	Spouse
83	Spouse	124	Spouse	165	Spouse
84	Spouse	125	Spouse	166	Spouse
85	Spouse	126	Spouse	167	Spouse
86	Spouse	127	Spouse	168	Spouse

## Dependent Eligibility Verification Audit

Sample #	Dependent Type	Sample #	Dependent Type	Sample #	Dependent Type
169	Spouse	181	Stepchild	192	Stepchild
170	Spouse	183	Stepchild	193	Stepchild
171	Stepchild	184	Stepchild	194	Stepchild
172	Stepchild	185	Stepchild	195	Stepchild
173	Stepchild	186	Stepchild	196	Stepchild
174	Stepchild	187	Stepchild	197	Stepchild
175	Stepchild	188	Stepchild	198	Stepchild
177	Stepchild	189	Stepchild	199	Stepchild
179	Stepchild	190	Stepchild	200	Stepchild
180	Stepchild	191	Stepchild		

Table 4 – Audits with No Documentation Submitted (4 Samples)

Sample #	Dependent Type
47	Spouse
142	Spouse
176	Stepchild
182	Stepchild

Table 5 –Disenrolled (3 Samples)

Sample #	Dependent Type
61	Spouse
79	Spouse
141	Spouse

Table 6 – Employees Removed from Audit (5 Samples)

Sample #	Dependent Type	Reason Removed from Audit
1	Spouse	SEHP advised employee terminated
19	Spouse	SEHP advised employee terminated
96	Spouse	Employee terminated 6/11
103	Spouse	Employee terminated effective 6/30
178	Stepchild	SEHP advised employee terminated