



Connecticut Paid Leave

Private Plan Audit Guide

Private Plan Name:

[_____]

Date of Audit Notification:

[_____]

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Section 1 – Introduction

The Connecticut Paid Family and Medical Leave Insurance Authority is responsible for managing and monitoring the Connecticut paid leave program, including oversight for employers who have received approval to provide paid leave benefits through private plans.

Conn. Gen. Stat. §31-49h(b)(11)(G) states that the Authority shall establish policies and procedures related to “determining whether an employer meets the requirements for the administration of a private plan, *including the approval, oversight and termination of such private plan.*” Further, Conn. Gen. Stat. §31-49o(b) provides that the approval of the private plan “may be withdrawn, when terms or conditions of the plan have been violated” such as “(1) Failure to pay benefits; (2) failure to pay benefits timely and in a manner consistent with the public plan; (3) failure to maintain an adequate security deposit as described in subdivision (2) of subsection (a) of this section; (4) misuse of private plan funds; (5) failure to submit reports as required; or (6) failure to comply with §§ 31-49e to 31-49t, inclusive.”

The employer is responsible for compliance with the CTPL private plan statutes and policies, including any audits, even if they designate an insurer or third-party administrator (TPA) to provide documents. Cooperation with potential audits is required as a condition of approval and maintenance of a private plan, per Conn. Gen. Stat. §31-49o(a)(1)(H).

In order to meet our statutory obligation to provide oversight to private plans and ensure that the terms and conditions of such plans are met, the Authority has established the Audit process reflected in this guide. This process is established in accordance with Section V of the Private Plan Policies & Procedures.

Each audit will focus on one or more of four topics regarding the private plan: the application process, contributions, financial solvency, and claims. Nothing shall prevent the Authority from auditing more than one topic at a time. Each audit topic is described in more detail in Section 2.

At the culmination of each audit, the Authority will issue a report stating whether the plan met or did not meet each of the requirements listed in the applicable audit topic checklist or checklists. The Authority may conclude that a requirement was not met if it determines that any of the following circumstances exist:

- Systemic issue: There is a systemic or structural issue that resulted in or will result in errors
- Lack of sufficient safeguards: There is a lack of internal controls that undermines the reliability of the process and may result in errors
- Deviation from the process: There is evidence of one or more errors despite the existence of an appropriate process or policy and internal controls.

The report process is described in more detail in Section 3.

Per Section V of the Private Plan Policies & Procedures, it is the responsibility of each private plan employer to maintain accurate and complete records relating to the private plan and to make all such records available for audit and inspection by the Authority as requested. The Authority will attempt to work with employers and insurers/TPA's to request documentation in a manner that avoids unnecessary disruption or inconvenience, whenever possible. Nevertheless, employers have an affirmative duty to establish that all legal requirements related to the operation of their private plans are met. Lack of documentation for a requirement may result in a conclusion by the Authority that the requirement is not met.

If there are any questions about the audit process, please contact the CT Paid Leave Audit team, identified in Section 2.

Section 2 - Overview & Checklists

- Kickoff Meeting Agenda
 - Establish timeframes for each step in the process
 - Establishing responsibilities of each party
- Audit Topics
 - Application
 - Contributions
 - Financial Solvency
 - Claims

Kickoff Meeting Agenda

The Kickoff meeting provides the opportunity to level-set the audit process for all participants. The goal is to ensure that all parties are aware of the topic, scope, and requirements of the audit. It also provides the opportunity to ask any preliminary questions related to the process, including any constraints about the provisions related to the data being provided. If responsibility for the private plan is shared among multiple individuals or organizations, the Kickoff meeting provides the opportunity to establish which party will address each portion of the audit.

During the Kickoff meeting, the expected timeframes may be adjusted as necessary to account for parties' work schedule, holidays, vacations, company shutdowns or other factors, including the size of the employer and the scope of the audit(s).

- Define the scope of the audit
 - Audit Category(s): [At least one of the following: Applications, Contributions, Financial Solvency, Claims]
 - Date range of items to be audited: [Date Range]
- Process
 - Describe the responsibilities of each party **see next page...*
 - Review the checklist of materials needed [Pages of checklist (review pages)]
 - Explain the document transfer system that will be used to provide necessary documentation
- Establish Expected Deadlines for:
 - Employer to ask questions: [Date Range ending approx. 2 weeks following kickoff meeting]
 - Employer to provide documentation: [Date Range approx. 2 weeks after questions]
 - Employer to provide claim files or other follow-up documentation, if needed: [Date approx. 2 weeks after request]
 - Authority to ask follow-up questions or request meeting/interview(s), if necessary [Date Range ending approx. 2 weeks after doc rec'd]
 - Employer to respond to questions, or schedule interview, if requested: [Date Range ending approx. 2 weeks of questions/request]
 - Authority to issue draft report: [Date approx. 3 weeks after employer response]
 - Employer to respond to draft report: [Date Range ending approx. 2 weeks after draft report]
 - Authority to issue final report: [Date approx. 2 weeks after employer response]

The deadlines and documents/data specific to this audit are summarized in Appendix.

Establishing responsibilities of each party

Employer:

While the employer is ultimately responsible for the plan and compliance with the audit process, it may delegate certain elements to the insurer or TPA as necessary.

Employer responsibilities include:

- Provide documents and data in a timely manner
- Keep adequate records of plan and paid leave claims
- Correct and resolve any issues found

Contacts:

Employer's Primary Point of Contact

Name:

Email:

Phone:

Employer's Secondary Point of Contact

Name:

Email:

Phone:

Insurer/TPA Contact

Name:

Email:

Phone:

Authority Responsibilities include:

- Review requested documents and data
- Answer audit related questions from employer
- Draft audit report

Contacts:

Name: Erin Choquette

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Name: Michael Cisar

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Application Checklist

The Employer is required to provide the following documents:

- Proof of vote regarding private plan:
 - Copy of message/method used for voting, for example:
 - Anonymous Paper Ballot
 - Anonymous Online Survey
 - Other
 - Proof audit survey was provided to employees (see template below)
- Current plan document/policy providing private plan coverage, including all riders and/or amendments
- Communication(s) sent before or during the vote, to employees regarding the private plan application and vote, for example:
 - Emails
 - Posters
 - Reminders
 - Other

The Survey

The Authority will provide a link to an online survey, with questions related to the application process for the private plan. The employer must provide that link to all Connecticut employees, using the messaging approved by the Authority. In the alternative, if the employer demonstrates that the online survey is not feasible, the employer and the Authority will mutually agree on alternative methods for distribution of the survey. The Authority reserves the right to request contact information for the Connecticut employees, so that it may communicate directly with employees if there is no feasible way to distribute the survey.

During the Kickoff Meeting, the deadlines for and methods of distributing the survey should be established:

- Employer to provide the survey to employees by: [Date approx. 1 week following Kickoff]
- Employees have two weeks to complete survey: [Date Range ending approx. 2 weeks after sent]

Survey Message Template

We have been asked to provide this survey as part of a review by the CT Paid Leave Authority, who is conducting a routine audit relating to our private plan. The Authority has asked this survey to be completed by all Connecticut employees by [DATE].

Survey Link Here

[Optional - Employer can provide link to Private Plan documents for Reference: "For more information regarding this our private plan please visit _____"]

Survey Questions

1. *Who is your employer?*
2. *When were you hired by the company? -Date*
3. *Did you receive a written explanation summarizing your employer's proposed plan (usually referred to as a "Plain Language Guide")? -Yes, -No, -I do not recall*
4. *Were you asked to vote on the private plan? -Yes, -No, -I do not recall, - I was not employed here at the time of the vote*
5. *What method used for voting? -anonymous paper ballot, -anonymous online survey, - other (if other describe.), - I do not recall, -I was not employed here at the time of the vote*
6. *Did any supervisor or manager indicate that they wanted you to vote a particular way or tell you what to vote? -Yes, -No, -I do not recall, - I was not employed here at the time of the vote*
7. *Do you know how to apply or who to contact if you have questions about how to apply for benefits? -Yes, -No*

If you are not comfortable answering any of these questions and would like to speak to someone, please contact the Connecticut Paid Leave Authority at [].

The Authority may also consult:

- Documents uploaded as part of the application process, including the plain language guide and the plan document/policy/policy face page
- Connecticut Insurance Department filing records

Application Checklist

<u>Topic</u>	<u>Potential Violation/Risk</u>	<u>Process</u>	<u>Requirement Met?</u>
Documentation	Plan failed to provide all of the requested documents, thereby impeding the efficacy of the audit	Compare list of documents requested to list of documents produced. Provision of an agreed-upon alternative to the original documentation request shall not constitute a violation of this requirement.	<input type="checkbox"/>
Changes in Law or Policy	Plan not updated to reflect changes in the law or Authority policies	Review copy of plan document/policy, including any riders or amendments against all current relevant statutes, filing guidance and policies. Documents should be updated at least annually to comply with changes in law or policy.	<input type="checkbox"/>
Plan Changes or Modifications	Material Changes made without a new application	<p>Compare the original plain language guide and policy material to the plan document provided by private plan. Changes are allowed only in order to comply with changes in law or policy, or if changes are not material.</p> <p>The following is a non-exclusive list of changes that are considered material:</p> <ol style="list-style-type: none"> 1. Changes to the plan design related to benefit amounts or durations 2. Changes to the insurance carrier or claims administrator 3. Changes to the class of covered employees, including eligibility rules and waiting period for coverage 4. Changes to the rate of contribution for the employee 5. Changes to the method of determination of the 12-month benefit period 6. Changes in how accruals (paid time off, sick bank, etc.) are utilized <p>The following changes are not considered to be material:</p> <ul style="list-style-type: none"> • Cosmetic changes to the plan, for example logos, fonts, branding • Changes to the legal name or legal address of the employer, assuming no changes to the actual ownership of the employer • Changes to the contact information or method for filing claims • Changes that are the result of changes in an employee's status • Changes to correct grammatical or typographical errors. 	<input type="checkbox"/>
	Material Changes were made without a new vote	If there were material changes (as defined above,) and a new application was submitted, confirm that there was a new vote.	<input type="checkbox"/>
Plan Vote	Employer failed to cooperate with audit process by failing to send audit survey to employees.	Employer will be required to provide proof that they provided survey to employees.	<input type="checkbox"/>
	Vote not held prior to private plan application	Confirm via survey that vote occurred. If the survey is inconclusive, the Authority can identify other forms of proof which it will accept.	<input type="checkbox"/>

Application Checklist

<u>Topic</u>	<u>Potential Violation/Risk</u>	<u>Process</u>	<u>Requirement Met?</u>
Plan Vote (cont'd)	The vote did not meet the majority requirements	Review proof of vote provided	<input type="checkbox"/>
	All eligible employees were not allowed to vote	Confirm via survey that employees allowed to vote	<input type="checkbox"/>
	The plan information was not provided in advance of the vote	Confirm via documents provided that at least two weeks in advance of the vote all employees were provided with the plan documents and voting instructions.	<input type="checkbox"/>
	The voting question was not presented as required	Review proof of vote to verify that the vote consisted of the following question only: "Do you approve the company's private plan to provide benefits required by the CT Paid Family and Medical Leave Insurance Act? Yes or No."	<input type="checkbox"/>
	The voting process did not allow for anonymity	Review proof of vote and employee survey to verify that the vote was conducted anonymously unless permission to do otherwise was granted.	<input type="checkbox"/>
	Coercion used during vote process	Confirm via survey that employees not coerced by employer.	<input type="checkbox"/>

Contributions Checklist

During the Kickoff Meeting, determine whether employees are required to contribute. (Check box)

No contributions are required from employees.

If no contributions are required from employees, the employer is required to provide:

- Current policy or plan document providing private plan coverage
- Statement of employee benefits or other documentation provided to employees stating that the employer does not deduct contributions from employees
- If determined by the Authority to be necessary:
 - Samples of Paystubs from employees showing lack of deductions – [date range and sample size to be determined at Kickoff Meeting]
- Annual notice required by Conn. Gen. Stat. §31-49q

Contributions are required from employees. Percentage: _ [_____] _

If contributions are required from employees, the employer is required to provide the following documents for the audit period [Date Range]:

- Current policy or plan document providing private plan coverage
- Financial Statements documenting deduction and disposition of contributions
 - Billing Statements/Invoices related to TPA/Insurance Carrier
 - Documentation evidencing protocols for ensuring that contributions are used only for approved plan-related purposes
 - Samples of Paystubs from employees showing deductions – [date range and sample size to be determined at Kickoff Meeting]
 - A payroll summary report [date range to be determined at Kickoff Meeting]
- Other documentation substantiating use of contributions for plan overhead/expenses
- Documentation of protocols in place to ensure the correct contributions are deducted from employees, including but not limited to protocols for ensuring that the contributions are based on employees' FICA wages and that contributions cease when employees' earnings exceed the Social Security contribution base
- Annual notice required by Conn. Gen. Stat. §31-49q

The Authority may also consult:

- Documents uploaded as part of the application process, including the plain language guide and the plan document/policy/policy face page
- Connecticut Insurance Department filing records
- Private Plan Annual Reports
- Consolidated Policies document

Contributions Checklist

<u>Topic</u>	<u>Potential Violation/Risk</u>	<u>Process</u>	<u>Requirement Met?</u>
Documentation	Plan failed to provide all of the requested documents, thereby impeding the efficacy of the audit	Compare list of documents requested to list of documents produced. Provision of an agreed-upon alternative to the original documentation request shall not constitute a violation of this requirement.	<input type="checkbox"/>
Use of Funds withheld from Employees' pay	Plan funds are not being used for approved expenditures	<p>Review a selection of withdrawals from the plan fund balance and obtain supporting documentation (invoices, request forms, etc.) to validate expenses were utilized for one or more of the acceptable reasons:</p> <ol style="list-style-type: none"> 1. Compensation paid to employees for approved leaves; 2. Premium payments for insurance coverage for the private plan; 3. Fees paid to a third-party administrator for the administration of the private plan; 4. Wages and employment benefits for employees of the employer whose responsibilities include managing and administering the private plan – such expenses should be in proportion to the amount of time that they are managing or administering to the private plan; 5. Bank fees related to an account which holds funds for the payment of Paid Leave Compensation; 6. Fees associated with a surety bond acquired to meet the requirements of a self-insured private plan; 7. System or IT costs, to the extent that the system is used to administer the private plan; and 8. Marketing or communication expenses related to informing employees about the private plan. <p>Any costs not in one of the above categories will need to be specifically reviewed and justified as acceptable expense.</p> <p>At a minimum the audit must validate the following.</p> <p>If plan is insured, confirm total amount of contributions received during audit period. Ask for proof that such funds were used to pay insurance premiums. If insurance premiums are less than amount collected, determine what happened to such funds that were not provided to carrier. If they used it for staffing related to administration of the plan, request evidence that allocation of funds were justified.</p> <p>If plan is self-insured, but uses a TPA, confirm total amount of contributions received during audit period. Ask for proof of which payments were made to the TPA. Track all withdrawals from contribution fund, to ensure they were spent on valid purposes. If they used some contributions for staffing related to administration of the plan, request evidence that allocation of funds were justified.</p> <p>If plan is self-insured and does not use a TPA, confirm total amount of contributions received during audit period. Track all withdrawals from contribution fund, to ensure they were spent on valid purposes. If they used some contributions for staffing related to administration of the plan, request evidence that allocation of funds were justified.</p>	<input type="checkbox"/>

Contributions Checklist

<u>Topic</u>	<u>Potential Violation/Risk</u>	<u>Process</u>	<u>Requirement Met?</u>
Use of Funds withheld from Employees' pay (cont'd)	Costs charged to the plan fund are not reasonable	For any non-claim payment expenses, review for reasonableness of expenses (invoices/allocation methodology/etc.). Justification must be provided by plan for cost of the expense.	<input type="checkbox"/>
	Compensation paid for reasons that do not qualify as reasons for leave covered under the plan documents	Select a sample of payments for approved leave and determine if they qualify as reasons for leave covered under the plan documents	<input type="checkbox"/>
Contributions	The plan is requiring contribution in excess of those allowable	Review the sample of pay stubs provided. Confirm whether amount contributed exceeds 0.5% for each paycheck, and that the total amount for the year does not exceed 0.5% of the Social Security contribution and benefit base limit during the year.	<input type="checkbox"/>
Plan Funds	Plan funds are comingled with other funds	Review documentation evidencing protocols for ensuring that contributions are used only for approved reasons. If protocols are insufficient, review billing statements, invoices related to TPA/Insurance Carrier, bank account records demonstrating segregation of contribution funds, from collection through payment of approved expenses.	<input type="checkbox"/>
Notification of Contribution Type	Employees are unaware of whether contributions are required	Review the plan document and annual notice, along with other communications to employees. Confirm that the materials accurately reflect whether contributions are required for employees.	<input type="checkbox"/>

Financial Solvency Checklist

During the Kickoff Meeting, identify which type of coverage provided (check box)

The employer is required to provide the following documents **(if insured)**:

- Current policy document providing private plan coverage

The employer is required to provide the following documents **(if self-funded)**:

- Current plan document providing private plan coverage
- Surety Bond in force during the audit review period
- Actuarial analysis or other documentation explaining the amount identified as needed to cover exposure
 - Explanation of the calculation of the funds set aside for claims
 - Explanation of the assumptions used to determine the expected claim exposure
 - Safeguards taken to ensure funds are available
 - May include Investment Policy with regard to the funds set aside for claims
- Total aggregate salary volume for all current covered employees
 - Annual Payroll report
- Financial statements (audited if available)
 - Trial Balance or Balance Statements Sheet
 - Tax Returns
 - Schedule C of the 1040 *or*
 - Profit & Loss Statement

The Authority may also consult:

- Documents uploaded as part of the application process, including the Surety Bond, the plain language guide, and the plan document/policy/policy face page
- Connecticut Insurance Department filing records
- Private Plan Annual Reports
- Contribution history to the Authority during period when private plan was not effective (if any)

Financial Solvency Checklist

<u>Topic</u>	<u>Potential Violation/Risk</u>	<u>Process</u>	<u>Requirement Met?</u>
Documentation	Plan failed to provide all of the requested documents, thereby impeding the efficacy of the audit	Compare list of documents requested to list of documents produced. Provision of an agreed-upon alternative to the original documentation request shall not constitute a violation of this requirement.	<input type="checkbox"/>
Solvency (fully insured plans)	Not covered by an approved insurance company	Confirm via the policy document that insurer is one of the approved insurance carriers.	<input type="checkbox"/>
Solvency (self-funded plans)	The surety bond is not held or sufficient to cover required costs	Compare amount of surety bond to the total wages of covered employees. Surety bond should reflect 0.5% of covered employees annual wages, excluding wages over the Social Security contribution and benefit base. Some deviation is allowable, due to causes such as employee turnover, raises, etc.	<input type="checkbox"/>
	The employer is not financial solvent and could have trouble maintaining the plan	Confirm amount set aside for paid leave benefits. Request explanation and justification from private plan as to how that amount was determined.	<input type="checkbox"/>

Claims Audit Checklist

The employer is required to provide the following documents:

- Current policy or plan document providing private plan coverage
- Copies of any instructions for filing a claim and all claim forms (e.g., application form, medical certificate, statement of family relationship, reconsideration request)
- Copies of any templates or other standard correspondence to claimants (e.g., acknowledgement of claim, approval letters, denial letters, notices of incomplete documentation, reconsideration decisions)
 - If no templates or other standard communications exist, an explanation of how the information is communicated to claimants
- Copies of any general notices, including the written notice required under §31-49q and evidence of distribution (e.g. copy of sent email, picture of notice posted at workplace)
- Report of all claims processed within the audit target period, with the following information provided for each claim listed:
 - Reason for Leave
 - Date the claim was received
 - Date of the decision
 - Type of Leave: Block, Intermittent, Reduced Schedule
 - Claim Status: Approved, Denied, Pending, Other
 - If approved: Total amount of benefits paid
 - If denied: Reason for denial

Claim Number / Unique Identifier	Date of Request	Date of Decision	Reason For Leave	Type of Leave	Claim Status	Total Amount Paid (if approved)	Reason for Denial (if denied)
(e.g. CTPL-00001)	(e.g. 1/5/24)	(e.g. 2/4/24)	(e.g. Care of Family Member with a Serious Health Condition)	(e.g. intermittent)	(e.g. denied)		(e.g. Serious Health Condition not Certified)
(e.g. CTPL-00002)	(e.g. 5/20/24)	(e.g. 6/6/24)	(e.g. Bonding with a Newborn)	(e.g. block leave)	(e.g. approved)	(e.g. \$4,400)	

After the report is provided, the Authority will select the claims for which it would like to receive the full claim file. Each individual claim file should include, at a minimum, the following information:

- Date claim was received
- All communication between the plan and the claimant
- All documentation that was provided to support the claim
- Dates decision made to approve/deny claim
- Date and amount of every claim payment
- Reason for Leave

- Reason for denial
 - Denial Letter – must include the option to reconsider
 - Decision for Reconsideration Letter (if applies)
- Explanation of how eligibility is determined, and the benefit amount (if applicable) is calculated:
 - Current earnings while on leave, include accruals (PTO/Sick/ STD)
 - Prior earnings (including but not limited to the identification of all of the quarters in the Base Period)
 - Earnings immediately preceding leave
 - Confirmation that claimant is not already receiving benefits from other source of income replacement programs (Unemployment, Worker’s Compensation.)
 - Any other income received that impacted the amount of paid leave benefit
- Utilization of Paid Leave Entitlement (if approved)
 - Calculation of employees work week for purposes of decrementing the benefit entitlement
 - Calculation of entitlement usage
 - Controls to ensure compliance with statutes relating to leave-specific durations (if applicable):
 - Incapacitation during pregnancy
 - Family Violence

The Authority may request copies of the following:

- All claim notes and other non-privileged internal communications relating to the claim
- Any documentation relating to deviations between the process followed and the plan document or policy document
- Any other documents necessary to validate the claims were properly processed

Where documentation does not exist or is insufficient, the Authority may require the employer or insurer/TPA to identify knowledgeable individuals whom the Authority can interview in order to verify information and the background regarding the claim decision.

The Authority may also consult:

- Documents uploaded as part of the application process, including the plain language guide and the plan document/policy/policy face page
- Connecticut Insurance Department filing records
- Private Plan Annual Reports
- Consolidated Policies document

Claims Audit Checklist

<u>Topic</u>	<u>Potential Violation/Risk</u>	<u>Process</u>	<u>Requirement Met?</u>
Documentation	Plan failed to provide all of the requested documents, thereby impeding the efficacy of the audit	Compare list of documents requested to list of documents produced. Provision of an agreed-upon alternative to the original documentation request shall not constitute a violation of this requirement.	<input type="checkbox"/>
Changes in Law or Policy	Plan not updated to reflect changes in the law or Authority policies	Review copy of plan document/policy against all current relevant statutes, filing guidance and policies. Documents should be updated at least annually to comply with changes in law or policy.	<input type="checkbox"/>
Benefit Payments	The plan does not start benefit payments timely	From the sample of approved claims, confirm the length of time between when approval was provided, and when the first payment was made. 15 days or less is acceptable window.	<input type="checkbox"/>
	The plan is not making payments timely or as prescribed	From the sample of approved claims, confirm the dates of payments. Retroactive payments should be in lump sum. All other payments should be made on a weekly or bi-weekly basis.	<input type="checkbox"/>
	The plan is not paying benefits accurately	<p>If amount exceeds the statutory amount, that alone is not a violation. However, the amount paid should match the formula in the policy document.</p> <p>Review policy document to determine how wages are determined and how benefits are calculated. Perform calculation using wages as defined in the policy, but with the state minimum benefit formula, including any reductions for other income or pro-rating based on partial leave. Compare that result to the actual amount paid. Violation if result of calculation is higher than the actual paid amount.</p> <p>Perform calculation based on formula in policy document (if different from state version). Compare result with actual amount paid. Violation if result is different between calculation and actual paid amount.</p>	<input type="checkbox"/>
	The plan is not paying benefits accurately - accrual offsets	<p>If the employer requires or allows the employee to use employer-provided accruals to supplement the income replacement benefits provided under this plan:</p> <ol style="list-style-type: none"> 1. The combined total of income replacement benefits and employer-provided accruals cannot exceed 100% of the employee's wages. 2. Employees have the right to retain at least two weeks of their employer-provided accruals instead of using them during your leave <p>Perform calculation on selected claims sample, if other employer-provided benefits are paid, ensure that no individual receives greater than 100% of regular wages.</p> <p>Review policy document to determine if employees are required to use accruals, and how much is required to be used.</p>	<input type="checkbox"/>

Claims Audit Checklist

<u>Topic</u>	<u>Potential Violation/Risk</u>	<u>Process</u>	<u>Requirement Met?</u>
Benefit Payments (cont'd)	The plan is improperly offsetting payments	Review sample of claims, and verify that if benefits were reduced, that reduction relates to one of the following: <ol style="list-style-type: none"> 1. Total compensation received by the employee under the plan and other employer-provided employment benefits cannot exceed such employee's regular rate of compensation; 2. Employees may not receive benefits under the plan concurrently with Unemployment Insurance, Workers Compensation, or any other federal or state program that provides wage replacement. 	<input type="checkbox"/>
	The plan is paying in excess of allowable duration	From sample of approved claims, check the total number of weeks for which each employee received benefits. If any portion of leaves were less than one week, only count the portion of the week for which benefits were received. Allocate that time to the specific 12-month period used in the policy document. Compare that result with the maximum allowable duration: <ol style="list-style-type: none"> 1. If claim exceeds 12 weeks in a year, confirm whether claim related to pregnancy. If related to pregnancy, confirm that total time did not exceed 14 weeks and that at least 2 weeks were during the pregnancy. If not pregnancy, then 12 weeks is maximum. 2. If claim relates to family violence, confirm that duration did not exceed 12 days for the leave 	<input type="checkbox"/>
Denials	Claims are being improperly denied	From sample of denied claims, review the reason for denial. Confirm that it is a valid reason.	<input type="checkbox"/>
	The plan does not provide proper information for denial decisions	From sample of denied claims and from the templates/communications provided, review all communication of denial provided. Ensure that it includes the five items. <ol style="list-style-type: none"> 1. The specific reason for the denial 2. The specific law or section of the policy or plan that caused the denial 3. What documentation was relied on for the denial 4. What documentation can be provided to reconsider the denial 5. The process and timeframes in order to request a reconsideration and appeals 	<input type="checkbox"/>
	The plan does not provide proper documentation for reconsideration decisions	From sample of denied claims, review if any sought reconsideration. If yes, confirm communication of decision (if upheld) provided notice of right to appeal.	<input type="checkbox"/>

Claims Audit Checklist

Topic	Potential Violation/Risk	Process	Requirement Met?
Benefit Application Process	The plan is not making timely decisions regarding claims	From sample of claims (both approved and denied), review the difference between the date the decision was communicated, and the date the last document was received. If request for paid leave was denied due to lack of complete application, confirm whether notice of missing documents provided within 5 days of receipt of last document.	<input type="checkbox"/>
	The plan requires documentation beyond the allowable documentation required to process a claim	From sample of claims (both approved and denied) review communication regarding necessary documentation. Compare with allowable documentation by leave reason, found in Consolidated Policies document. If an employee submitted too much documentation, it is not necessarily a violation. But if private plan requested documentation that is not allowed, that would be. Review denied claims in sample to determine if any denials were due to documentation not being provided, and whether such documentation is a valid request. Allowance for additional documentation requests should be made for plans that offer benefits greater than the minimum required by law as long as that plan design is reflected in the plan documents. Private plan should provide justification as to why such documentation is necessary to administer such benefits.	<input type="checkbox"/>
Anti-Retaliation	Interfering with or retaliating against employees for filing a request for paid leave benefits.	Review policy document and notice document. Review evidence of how document and notice were posted/shared.	<input type="checkbox"/>

Section 3 – Report of Results

The Audit will result in the issuance of a draft report of findings, followed by a final report

Draft Report

- Provides confirmation of documentation/material provided
- Indicates where documentation or response was insufficient
- Identifies any conclusions
- Proposes corrective action plan (as appropriate)

Employers may respond to the draft report in order to address any issues, provide additional details, or make suggestions regarding a corrective action plan before the final report. The draft report will include the deadline for responding (at least two weeks from the date of the draft report).

The employer or the Authority may request a meeting to discuss the draft report.

Final Report

- Consists of an Executive Summary and detailed findings
- Indicates any violations and/or penalties (as appropriate)
- Addresses any corrective action that is necessary
- Identifies consequences of failure to comply with corrective action plan

If the Authority requires the private plan to demonstrate compliance with the identified corrective action, the report will specify appropriate deadlines.

Compliance with Corrective Action Plan

The Authority will document private plan's compliance or lack thereof with the corrective action plan. Failure to comply with a corrective action plan may result in additional conclusions and/or penalties.

Appendix

Scope

Audit Category: [At least one of the following: Applications, Contributions, Financial Solvency, Claims]
Date range of items to be audited: [Date Range]

Deadlines

(If Application Audit) Employer to provide the survey to employees by:	[Date approx. 1 week following Kickoff]
Employer to ask questions:	[Date Range ending approx. 2 weeks following kickoff meeting]
(If Application Audit) Employer to provide survey results:	[Date Range ending approx. 2 weeks after survey is issued]
Employer to provide documentation:	[Date Range approx. 2 weeks after questions]
(If Claims Audit) Employer to provide claim files:	[Date approx. 2 weeks after request]
Employer to provide other follow-up documentation, if requested by the Authority:	[Date approx. 2 weeks after request]
Authority to ask follow-up questions or request meeting/interview(s), if necessary:	[Date Range ending approx. 2 weeks after doc rec'd]
Employer to respond to questions, or schedule interview, if requested:	[Date Range ending approx. 2 weeks of questions/request]
Authority to issue draft report:	[Date approx. 3 weeks after employer response]
Employer to respond to draft report:	[Date Range ending approx. 2 weeks after draft report]
Authority to issue final report:	[Date approx. 2 weeks after employer response]

Please email CTPL.Legal@ct.gov if any extension of time is necessary.

Summary of Data/Documentation to be produced on [DATE]

<u>Documentation/Data Requested:</u>	<u>To be Provided By:</u>