



Department of  
Employee Insurance

501 HIGH STREET, 2ND FLOOR  
FRANKFORT, KENTUCKY 40601

DEI Memo 22-05

TO: Insurance Coordinators and Human Resource Generalists

FROM: Department of Employee Insurance (DEI)

RE: Improper Entry of Member Enrollment & Qualifying Event Data into KHRIS

DATE: March 24, 2022

The DEI first wishes to acknowledge the ICs and HRGs, who work hard to ensure that employees receive the benefits they want and need. Regrettably, however, the DEI must also advise you about certain actions of ICs and HRGs that are contrary to established processing rules, directly impact an employees' access to timely benefits, and could be considered fraudulent.

The DEI is aware of several incidents involving ICs and HRGs knowingly violating the rules under the KEHP Administration Manual through one or more the following: 1) changing the dates or information on an election change form or exceptions form to increase the likelihood that DEI will process the form outside of applicable deadlines or rules; 2) making elections changes in KHRIS outside of open enrollment or making date/plan changes in KHRIS after DEI processes a QE, or 3) processing qualifying events that do not conform to Administration Manual rules. The KEHP Administration Manual rules and procedures are based on the Internal Revenue Code, Section 125, which permit KEHP to maintain a plan with favored tax rules allowing members to pay for premiums and FSA contributions before tax.

This Memorandum is to remind all ICs, HRGs, and other KHRIS users that knowingly submitting incorrect data or otherwise processing changes in KHRIS in a manner that violates the Administration Manual rules is strictly prohibited. The failure to follow the rules outlined in the Administration Manual could result in KEHP and its members losing tax-favored status.

All ICs and HRGs must carefully review the notice below that explains the consequences for any misuse or abuse of the KHRIS system or KEHP documentation.

**FRAUD WARNING.** Any person who knowingly, and with the intent to defraud, files an application for insurance containing any materially false information (including a forged signature or incorrect signature date), or conceals, for the purpose of misleading, information concerning any fact material to insurance coverage, commits a fraudulent insurance act which is a crime. You can be held responsible for any fraudulent act that you could have prevented while acting within your duties related to obtaining employer-sponsored health, dental, vision, and life insurance, and it may be used to reduce or deny a claim, or to terminate coverage. Information contained in life insurance benefit elections, if incorrect or misleading, may void the policy effective as of the date of issuance. Any person who fails to report any known, fraudulent act to DEI will be considered complicit in the fraudulent act.

The DEI retains any and all rights to address any known or suspected case of fraud, including but not limited to, the following: reporting suspicious incidents to management, temporary or permanent suspension from KHRIS, or criminal referral to appropriate authorities for investigation of a violation of KRS 304.47-020, or other applicable federal or state law.

Any questions regarding this Memorandum should be directed to Christie Burkhead at:  
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