

GM to Crack Down On Health Coverage

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August 13, 2008; Page B6

[General Motors Corp.](#), looking to trim its nearly \$5 billion-a-year health-care tab, is cracking down on workers who are collecting medical benefits for which they aren't eligible.

The auto maker is giving its 67,000 hourly workers until Aug. 20 to voluntarily remove dependents who shouldn't be covered from their health policies. After that, employees must prove that covered family members are eligible.

If GM paid for health expenses it shouldn't have, workers may be forced to reimburse the company, a GM spokeswoman said. GM has audited its health-care rolls before, but the new effort is more extensive than in years past, she said.

"GM spends \$4.6 billion on health care and we want to make sure our employees who are eligible for the best health care are receiving it," she said.

Health plan audits like the one GM is conducting are becoming increasingly common as employers look to offset soaring medical expenses, said Paul Fronstin, director of health research and educational programs for the Employee Benefit Research Institute in Washington, D.C.

Trimming ineligible dependents from health plans can reduce medical costs by 2% to 5%, according HRAAdvance, a Dallas human-resources company that conducts audits for employers. It estimates 5% to 10% of dependents covered on health plans shouldn't be enrolled, including divorced spouses, grown children and boyfriends and girlfriends.

GM last year spent \$1.3 billion on health-care benefits for active hourly and salaried workers.

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