

# REPORT HIGHLIGHTS



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## **Twelve Selected States Did Not Accurately Calculate the Federal Share of Medicaid Collections Subject to the Increased COVID-19 Federal Medical Assistance Percentages**

### **Why OIG Did This Audit**

- Collections of Medicaid expenditures, such as overpayments recovered, refunds, and similar receipts, decrease the amount of Federal funding States receive for the quarter. CMS instructs States to make refunds of the Federal share at the Federal Medical Assistance Percentage (FMAP) at which the original expenditures were reimbursed.
- In response to the COVID-19 pandemic, Congress temporarily increased States' FMAPs by 6.2 percentage points.
- In a previous audit, we determined that States retained the difference between the Federal share of collections calculated at the increased FMAP authorized by the American Recovery and Reinvestment Act and the Federal share calculated at the regular FMAP and recommended that CMS recoup \$25 million in overpayments.
- This audit examined whether 13 selected States accurately calculated the Federal share of collections subject to the increased FMAP.

### **What OIG Found**

- Twelve of the 13 selected States underreported the Federal share of collections by a net \$61.8 million because they did not use the correct FMAP or made calculation errors.

### **What OIG Recommends**

We made four recommendations to CMS to improve how States calculate and report Medicaid collections, including States correcting their reporting to return the net \$61.8 million in Federal share. The full recommendations are in the report.

CMS concurred with all four recommendations.