

REPORT HIGHLIGHTS



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Colorado Made Capitation Payments to Managed Care Organizations After Enrollees' Deaths

Why OIG Did This Audit

- Colorado pays Medicaid managed care organizations (MCOs) for health care services provided to Medicaid enrollees; in return, MCOs receive a monthly fixed payment for each enrollee (capitation payment).
- Previous OIG audits found that other States had improperly paid capitation payments on behalf of deceased enrollees.
- This audit of Colorado is one of a series that examines whether States made capitation payments to MCOs on behalf of deceased enrollees.

What OIG Found

Colorado made unallowable capitation payments to MCOs on behalf of deceased enrollees, whose dates of death preceded the service periods covered by the monthly capitation payments. Specifically:

- Of the 120 capitation payments in our stratified random sample, 109 payments were made on behalf of deceased enrollees whose dates of death preceded the service period covered by the monthly capitation payment.
- We also identified almost 39,000 unallowable capitation payments that Colorado made on behalf of deceased enrollees even though their dates of death were accurately recorded in the State's eligibility system.

Accordingly, we estimated that Colorado made at least \$3.8 million (Federal share) in unallowable capitation payments to MCOs on behalf of deceased enrollees. In addition, Colorado incorrectly reported other Medicaid expenditures to CMS totaling over \$2.2 million (Federal share).

What OIG Recommends

We make six recommendations to Colorado, including that it refund an estimated \$6.0 million to the Federal Government. The full recommendations are in the report.

Colorado agreed with three of our recommendations and partially agreed with one of our monetary recommendations. Colorado disagreed with our remaining two recommendations but described corrective actions that it had taken or planned to take to address all of our recommendations.