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Companion Data Services, LLC, Understated Its Medicare Segment Pension Assets as of January 1, 2022

Why OIG Did This Audit

- Medicare contractors are required to separately account for the Medicare segment pension plan assets based on the requirements of their Medicare contracts and Cost Accounting Standards 412 and 413.
- HHS, OIG, Office of Audit Services, reviews the Medicare segment pension assets to ensure compliance with Federal regulations.
- Previous OIG audits found that Medicare contractors did not always correctly identify and update the segmented pension assets.
- This audit examined whether Companion Data Services, LLC (CDS), complied with Federal requirements when (1) implementing the prior audit recommendation to decrease the Medicare segment assets as of January 1, 2017, and (2) updating its Medicare segment pension assets from January 1, 2017, to January 1, 2022.

What OIG Found

- CDS concurred with and implemented our prior audit recommendation to decrease the Medicare segment pension assets by $777,081 as of January 1, 2017.
- CDS did not correctly update its Medicare segment pension assets from January 1, 2017, to January 1, 2022. CDS identified $16.3 million as its Medicare segment pension assets as of January 1, 2022; however, we determined that those assets were $16.5 million as of that date. Therefore, CDS understated its Medicare segment pension assets as of January 1, 2022, by $269,643.
- CDS's policies and procedures did not always ensure that it calculated those pension assets in accordance with Federal requirements when updating its Medicare segment pension assets from January 1, 2017, to January 1, 2022.

What OIG Recommends

We recommend that CDS increase its Medicare segment pension assets by $269,643 and recognize $16.5 million as the Medicare segment pension assets as of January 1, 2022, and improve policies and procedures to ensure that going forward, it calculates Medicare segment pension assets in accordance with Federal requirements.

CDS concurred with our findings but did not specifically indicate concurrence or nonconcurrence with our recommendations. CDS said that it would work with CMS to ensure the final settlement and collection of contract costs.