

REPORT HIGHLIGHTS



August 2025 | OAS-25-07-027

Companion Data Services, LLC, Overstated Its Excess Plan 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 and its established cost accounting practice when updating its Blue Cross Blue Shield of South Carolina Excess Plan (Excess Plan) Medicare segment pension assets from January 1, 2017, to January 1, 2022.

What OIG Found

- CDS did not correctly update its Excess Plan Medicare segment pension assets from January 1, 2017, to January 1, 2022, in accordance with Federal requirements. CDS identified \$1.06 million as its Excess Plan Medicare segment pension assets as of January 1, 2022; however, we determined that those assets were \$1.03 million as of that date. Therefore, CDS overstated its Excess Plan Medicare segment pension assets as of January 1, 2022, by \$23,172.
- CDS's policies and procedures did not always ensure that it calculated those assets in accordance with Federal requirements when updating its Excess Plan Medicare segment pension assets from January 1, 2017, to January 1, 2022.

What OIG Recommends

We recommend that CDS decrease its Excess Plan Medicare segment pension assets by \$23,172 and recognize \$1.03 million as the Excess Plan Medicare segment pension assets as of January 1, 2022, and improve policies and procedures to ensure that going forward, it calculates Excess Plan 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.