

# REPORT HIGHLIGHTS



September 2025 | A-06-24-09001

## **Texas Did Not Calculate or Collect Hospice Cap Overpayments Totaling \$10.5 Million**

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

- In States for which hospice services are covered under Medicaid, two annual limits (called caps) may apply to hospice providers. In these States, hospices are required to repay Medicaid for payments received that exceeded applicable caps (i.e., overpayments).
- Our audit determined whether Texas correctly calculated and collected hospice cap overpayments and refunded the Federal share of those overpayments to the Federal Government.

### **What OIG Found**

- Texas overpaid \$10.5 million (\$6.9 million Federal share) to 174 hospices (36 percent of hospices that received payments) for services provided during Federal fiscal years 2020 through 2022 because it did not have any policies and procedures related to calculating and collecting the hospice cap overpayments. Texas did not calculate these cap overpayments; therefore, it did not collect them or return the related Federal share.

### **What OIG Recommends**

We recommend that Texas:

1. collect the hospice cap overpayments totaling \$10.5 million and refund the Federal share of \$6.9 million to the Federal Government and
2. develop and implement policies and procedures related to calculating and collecting hospice cap overpayments.

Texas did not indicate concurrence or nonconcurrence with our first recommendation, agreed with our second recommendation, and detailed steps it plans to take in response to our recommendations.