

REPORT HIGHLIGHTS



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CMS Should Improve Its Policies and Procedures for the Oversight of States' Reported Medicaid Expenditures to Better Protect the Financial Integrity of the Medicaid Program

Why OIG Did This Audit

- Within 30 days after the end of each quarter, States report to [CMS](#) their Medicaid expenditures and the associated Federal share on the Form CMS-64, Quarterly Medicaid Statement of Expenditures for the Medical Assistance Program (CMS-64).
- CMS is responsible for reviewing the CMS-64 to verify that the expenditures reported are consistent with Medicaid requirements and Federal matching funds are properly allocated.
- Our audit determined whether CMS followed its policies and procedures related to its oversight of Medicaid State expenditures reported on the CMS-64 and whether the policies and procedures were sufficient to protect the financial integrity of the Medicaid program.

What OIG Found

- CMS did not consistently follow its policies and procedures related to the oversight of Medicaid State expenditures reported on the CMS-64. Specifically, CMS's quarterly review work papers for five selected States that we reviewed were not always clear, accurate, or consistent enough to validate that its analysts thoroughly completed all procedures outlined in its Review Guide.
- CMS's policies and procedures related to deferred expenditures did not adhere to the timely resolution timelines set forth in Federal regulations, resulting in deferred payments remaining unresolved for years.
- CMS's policies and procedures related to tracking of disallowed expenditures need improvement to allow for more accessible and accurate reporting of disallowed payment information.

What OIG Recommends

We made four recommendations to CMS, including that it develop and implement additional training for analysts assigned to review CMS-64s and modify and revise certain policies and procedures related to its oversight of States' CMS-64s. The full recommendations are in the body of the report.

CMS concurred with all four recommendations.