

Report in Brief

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U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES
OFFICE OF INSPECTOR GENERAL



Why OIG Did This Audit

Texas pays managed care organizations to make services available to eligible Medicaid enrollees in return for a monthly fixed payment (capitation payment) for each enrollee. Previous OIG audits found that State Medicaid agencies made capitation payments on behalf of enrollees who were residing and enrolled in Medicaid in another State. We are concerned that the concurrent Medicaid enrollment identified in our previous audits could be an issue that negatively impacts Texas' Medicaid program.

Our objective was to determine whether Texas made capitation payments on behalf of Medicaid enrollees who were concurrently enrolled in a Medicaid managed care program in another State.

How OIG Did This Audit

Our audit covered \$30.9 million in Medicaid managed care capitation payments for August 2021 made by Texas on behalf of 61,065 Texas enrollees who were concurrently enrolled in a managed care program in another State during the period of July 1 through September 30, 2021 (audit period).

To identify our population of enrollees who had concurrent enrollment during our audit period, we compared CMS's Transformed Medicaid Statistical Information System (T-MSIS) data from 48 States, the District of Columbia, and Puerto Rico. We then identified all associated August 2021 capitation payments that Texas made.

Texas Made Capitation Payments for Enrollees Who Were Concurrently Enrolled in a Medicaid Managed Care Program in Another State

What OIG Found

Texas made August 2021 Medicaid managed care capitation payments totaling \$30.9 million on behalf of 61,065 enrollees who were concurrently enrolled for Medicaid benefits in Texas and another State. Of the 100 enrollees in our stratified random sample, we determined that 62 enrollees were residing and enrolled for Medicaid benefits in Texas. However, Texas made August 2021 capitation payments totaling \$31,939 (\$21,744 Federal share) on behalf of 38 Texas Medicaid managed care enrollees who were residing and concurrently enrolled for Medicaid in another State. On the basis of our sample results, we estimated that Texas incurred costs of \$12.8 million (\$8.7 million Federal share) for August 2021 capitation payments made on behalf of enrollees who were residing and concurrently enrolled in another State.

What OIG Recommends and Texas Comments

We recommend that Texas resume and enhance procedures that are in accordance with Federal requirements and the State's unwinding process to identify and disenroll enrollees who are residing and enrolled in Medicaid managed care in another State, and work with CMS to consider the potential use of T-MSIS data to identify potential cases of concurrent enrollment.

In written comments on our draft report, Texas concurred with our recommendations and described the actions that it plans to take to address them. Texas' actions include: (1) resuming procedures during the unwinding process to identify and disenroll clients who are no longer eligible for Medicaid, including those who have moved to another State and (2) meeting with CMS to discuss the benefit of using T-MSIS data to assist in identifying potential cases of concurrent enrollment.