

Report in Brief

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Report No. A-06-20-10003

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



Why OIG Did This Audit

Previous OIG audits identified Federal Medicaid reimbursement for managed care payments that were not claimed in compliance with Federal requirements. Specifically, some beneficiaries enrolled in Medicaid managed care had more than one identification number. As a result, Medicaid managed care organizations (MCOs) received unallowable monthly Medicaid payments for these beneficiaries. An analysis of the Texas Children's Health Insurance Program (CHIP) data indicated that Texas may have made unallowable CHIP payments to MCOs for beneficiaries assigned more than one identification number.

Our objective was to determine whether Texas claimed Federal reimbursement for unallowable CHIP payments made to MCOs on behalf of beneficiaries who were assigned more than one identification number.

How OIG Did This Audit

We limited our audit to CHIP payments Texas made to MCOs for the same beneficiary under different identification numbers for the same month. Specifically, we identified 599 beneficiary-matches with payments totaling \$1.9 million (\$1.8 million Federal share) that the State agency claimed for the period January 1, 2016, through October 31, 2019.

Texas Made Unallowable Children's Health Insurance Program Payments for Beneficiaries Assigned More Than One Identification Number

What OIG Found

Texas claimed Federal reimbursement for unallowable CHIP payments made to MCOs on behalf of beneficiaries who were assigned more than one identification number. For the 599 beneficiary-matches, Texas improperly paid MCOs \$922,557 (\$856,456 Federal share) on behalf of 572 beneficiaries. Texas made the unallowable payments to MCOs under the different identification numbers for the same month. The remaining 27 beneficiary-matches were different individuals.

Texas attributed the unallowable payments to eligibility worker and system errors. Specifically, eligibility workers did not ensure that beneficiaries were assigned only one identification number during the application process. Additionally, the State agency stated that it had already identified more than half of the beneficiaries included in our audit as having more than one identification number but that it encountered system compatibility issues that would not allow the data integrity workers to properly merge beneficiary records with both a CHIP and Medicaid history.

What OIG Recommends and Texas Comments

We recommend that Texas (1) refund \$856,456 to the Federal Government, (2) identify and recover additional unallowable CHIP payments made before and after our audit period for the 572 beneficiary-matches and repay the Federal share, (3) identify any other beneficiaries who are assigned more than one identification number and refund any unallowable CHIP payments associated with those beneficiaries, and (4) strengthen its procedures for determining whether applicants are enrolled in any medical or public assistance benefit programs throughout the State and ensure that no beneficiary is assigned more than one identification number.

In written comments on our draft report, the State agency concurred with most issues and associated recommendations. Regarding the first recommendation, the State agency stated that it cannot concur with the finding until it conducts further research and performs an analysis of its member records and managed care capitation files to ensure that the unallowable capitation payments identified in our audit were not already refunded to the Federal Government. The State agency concurred with the remaining three recommendations. We maintain that our finding and recommendations remain valid.