

REPORT HIGHLIGHTS



July 2024 | A-05-23-00008

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

Why OIG Did This Audit

- California 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.
- This audit assessed whether California made capitation payments on behalf of Medicaid enrollees who were concurrently enrolled in a Medicaid managed care program in another State.

What OIG Found

On the basis of our sample results, we estimated that California incurred costs of approximately \$19.9 million (\$15.5 million Federal share) for August 2021 capitation payments made on behalf of enrollees who were residing and concurrently enrolled in a Medicaid managed care program in another State.

- Our audit covered August 2021 Medicaid managed care capitation payments totaling \$36.4 million made by California on behalf of 108,800 enrollees who were concurrently enrolled for Medicaid benefits in California and another State during the period of July 1 through September 30, 2021.
- Of the 100 enrollees in our stratified random sample, we determined that 54 enrollees were residing and enrolled for Medicaid benefits in California, but 46 enrollees were residing and concurrently enrolled for Medicaid in another State.

What OIG Recommends

We recommend that California:

1. resume and enhance procedures that are in accordance with current Federal requirements to identify and disenroll enrollees who are residing and enrolled in Medicaid managed care in another State and
2. work with CMS to consider the potential use of Transformed Medicaid Statistical Information System data to identify potential cases of concurrent enrollment.

California concurred with our recommendations and described actions that it has taken or plans to take in response to our recommendations.