

Report in Brief

Date: November 2017

Report No. A-04-16-08049



Why OIG Did This Review

The Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA) directly affects both the Children's Health Insurance Program and Medicaid. Under CHIPRA, Congress appropriated \$3.225 billion for qualifying States to receive bonus payments to offset the costs of increased enrollment of children in Medicaid.

In previous audits of CHIPRA bonus payments in other States, we found millions of dollars in unallowable bonus payments; therefore, we identified CHIPRA bonus payments as a high-risk area. Ohio received \$64.5 million in bonus payments for fiscal years (FYs) 2010 through 2013 (audit period).

Our objective was to determine whether the bonus payments that Ohio received were allowable in accordance with Federal requirements.

How OIG Did This Review

We reviewed the bonus payments that Ohio received for the audit period. Our review focused on verifying the accuracy of enrollment information used in the bonus payment calculations and ensuring that the information complied with Federal requirements. We did not review Ohio's Medicaid eligibility determinations.

Ohio Received Millions in Unallowable Bonus Payments

What OIG Found

Some of the bonus payments that Ohio received for the audit period were not allowable in accordance with Federal requirements. Most of the data used in Ohio's bonus payment calculations were in accordance with Federal requirements. However, Ohio overstated its FYs 2010 through 2013 current enrollment in its bonus requests to Centers for Medicare & Medicaid Services (CMS) because it included individuals who did not qualify because of their basis-of-eligibility (BOE) category. CMS guidance instructed States to include in its current enrollment only individuals whom the State identifies and reports as having a BOE of "child" in the Medicaid Statistical Information System, which are BOE categories 4, 6, and 8. In addition to these three BOE categories, Ohio incorrectly included individuals from other BOEs, such as BOE 2, "Blind and Disabled."

As a result of Ohio's overstated current enrollment numbers, CMS overpaid Ohio \$29.5 million in bonus payments.

What OIG Recommends and Ohio Comments

We recommend that Ohio refund \$29.5 million to the Federal Government.

In written comments on our draft report, Ohio acknowledged that it had included individuals with BOE categories other than 4, 6, and 8 in its current enrollment. However, Ohio did not concur with our findings or recommendation. Ohio said that the current enrollment numbers it submitted to CMS were in accordance with the intent of statutory criteria for the CHIPRA bonus payments. Additionally, Ohio asserted that CMS's approach to limit the baseline enrollment calculation to BOE categories 4, 6, and 8, was erroneous as it effectively disqualifies blind or disabled children from the bonus payment calculation because their BOE of 2 "Blind/Disabled Individual" is excluded. Ohio said that congressional intent was to reward States for increased enrollment of all eligible children, not just nondisabled eligible children.

After review and consideration of Ohio's comments, we maintain that our findings and recommendation are correct. CMS has consistently and reasonably interpreted the statute and explained its approach in addressing Congress's intent. Therefore Ohio's current enrollment should only include individuals from BOE categories 4, 6, and 8.