

## Report in Brief

Date: November 2017

Report No. A-04-16-08050



### 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 \$3.2 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. Kansas received \$36.6 million in bonus payments for fiscal years (FYs) 2009 through 2013 (audit period).

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

### How OIG Did This Review

We reviewed the bonus payments that Kansas 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 Kansas' Medicaid eligibility determinations.

## Kansas Received Millions in Unallowable Bonus Payments

### What OIG Found

Some of the bonus payments that Kansas received for the audit period were not allowable in accordance with Federal requirements. Most of the data used in Kansas' bonus payment calculations were in accordance with Federal requirements. However, Kansas overstated its FYs 2009 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, Kansas incorrectly included individuals from other BOEs, such as BOE 2, "Blind and Disabled."

As a result of the overstated current enrollment numbers, CMS overpaid Kansas \$17.8 million in bonus payments.

### What OIG Recommends and Kansas Comments

We recommend that Kansas refund \$17.8 million to the Federal Government.

In written comments on our draft report, Kansas acknowledged that it had included individuals from BOE categories other than 4, 6, and 8 in its current enrollment. However, Kansas did not concur with our findings or recommendation. Kansas said that it had followed CMS guidance to ensure the CHIPRA bonus payments it received were allowable and appropriate in accordance with Federal requirements. Additionally, Kansas said that CMS guidance allowed individuals other than those in BOE categories 4, 6, and 8 to be included in a State's current enrollment. Kansas said that CMS's calculated baseline enrollment did not include all statutory categories of children eligible for Medicaid and that all children meeting this definition were eligible for the bonus payment. Although Kansas acknowledged that it received guidance from a CMS official advising it to report BOE categories 4, 6, and 8, Kansas asserts that CMS did not make clear that it should not report individuals from other BOE categories.

After review and consideration of the Kansas' comments, we maintain that our findings and recommendation are correct. CMS has consistently and reasonably interpreted the statute and explained to Kansas that only individuals from BOE categories 4, 6, and 8 should be included in Kansas' current enrollment.