

## Report in Brief

Date: August 2017

Report No. A-07-17-00512

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



### Why OIG Did This Review

Certain Medicare contractors are required to separately account for the Medicare segment pension plan assets based on the requirements of their Medicare contracts and Cost Accounting Standards (CAS) 412 and 413.

The HHS, OIG, Office of Audit Services, Region VII pension audit team reviews the Medicare segment pension assets to ensure compliance with Federal regulations.

Previous OIG reviews found that Medicare contractors did not always correctly identify and update the segmented pension assets.

Our objective was to determine whether Companion Data Services, LLC (CDS), complied with Federal requirements with respect to its established cost accounting practice when updating its Medicare segment's pension assets from January 1, 2008, to January 1, 2013.

### How OIG Did This Review

We reviewed CDS's update of the Medicare segment pension assets as of January 1, 2013, to ensure compliance with Federal regulations.

## Companion Data Services, LLC, Overstated Its Medicare Segment Pension Assets

### What OIG Found

CDS did not correctly update the Medicare segment pension assets from January 1, 2008, to January 1, 2013, in accordance with Federal regulations with respect to its established cost accounting practice. CDS identified Medicare segment pension assets of \$10.548 million as of January 1, 2013; however, we determined that the Medicare segment pension assets were \$10.430 million. Therefore, CDS overstated the Medicare segment pension assets by \$117,880. CDS overstated the Medicare segment pension assets because it did not have policies and procedures to ensure that it calculated those assets in accordance with Federal regulations with respect to its established cost accounting practice when updating the Medicare segments' pension assets from January 1, 2008, to January 1, 2013.

### What OIG Recommends and CDS Comments

We recommend that CDS decrease its Medicare segment pension assets as of January 1, 2013, by \$117,880 and recognize \$10.430 million as the CDS Medicare segment pension assets, and establish policies and procedures to ensure compliance with Federal regulations.

CDS accepted our recommendations and said that it would establish policies and procedures to ensure compliance with Federal regulations.