

Department of Health and Human Services

**OFFICE OF
INSPECTOR GENERAL**

**NATIONAL GOVERNMENT
SERVICES, INC., DID NOT CLAIM
SOME MEDICARE POSTRETIREMENT
BENEFIT PLAN COSTS THROUGH ITS
INCURRED COST PROPOSALS**

*Inquiries about this report may be addressed to the Office of Public Affairs at
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Deputy Inspector General
for Audit Services

September 2019
A-07-19-00566

Office of Inspector General

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The designation of financial or management practices as questionable,
a recommendation for the disallowance of costs incurred or claimed,
and any other conclusions and recommendations in this report represent
the findings and opinions of OAS. Authorized officials of the HHS
operating divisions will make final determination on these matters.

Report in Brief

Date: September 2019
Report No. A-07-19-00566

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



Why OIG Did This Review

The Centers for Medicare & Medicaid Services (CMS) reimburses a portion of its contractors' postretirement benefit (PRB) costs.

At CMS's request, the HHS, OIG, Office of Audit Services, Region VII pension audit team reviews the cost elements related to qualified defined-benefit, nonqualified defined-benefit, PRB, and any other pension-related cost elements claimed by Medicare contractors through Incurred Cost Proposals (ICPs).

Previous OIG reviews found that Medicare contractors have not always complied with Federal requirements when claiming PRB costs for Medicare reimbursement.

Our objective was to determine whether the calendar years (CYs) 2007 through 2014 PRB costs that National Government Services, Inc. (NGS), claimed for Medicare reimbursement, and reported on its ICPs, were allowable and correctly claimed.

How OIG Did This Review

We reviewed \$5.5 million of Medicare PRB costs that NGS claimed for Medicare reimbursement on its ICPs for CYs 2007 through 2014.

National Government Services, Inc., Did Not Claim Some Medicare Postretirement Benefit Plan Costs Through Its Incurred Cost Proposals

What OIG Found

The CYs 2007 through 2014 PRB costs that NGS claimed for Medicare reimbursement, and reported on its ICPs, were not always correctly claimed. Specifically, NGS claimed Medicare segment PRB costs of \$5.5 million for Medicare reimbursement, through its ICPs, for CYs 2007 through 2014. However, we determined that the allowable PRB costs for this period were \$8.5 million. The difference, \$3 million, constituted allowable Medicare PRB costs that NGS did not claim on its ICPs for CYs 2007 through 2014. NGS did not claim these allowable Medicare PRB costs primarily because it based its claim for Medicare reimbursement on an incorrect methodology.

What OIG Recommends and Auditee Comments

We recommend that NGS work with CMS to ensure that its final settlement of contract costs reflects an increase in Medicare PRB costs of \$3 million for CYs 2007 through 2014.

NGS did not specifically agree or disagree with our finding and recommendation but stated that it did not agree with the approach we took to calculate the allowable PRB costs. NGS did not agree with our methodology in incorporating adjustments from other ICP audits conducted by independent accounting firms, including the previous pension audit costs for CYs 2007 through 2009, as those adjustments, according to NGS, had not been negotiated with CMS.

We revised some of our calculations of the Medicare segment allowable PRB costs for this final report. We incorporated the ICP audit adjustments because the ICP audit report from the independent accounting firms has been issued in final. We followed the ICP auditors' methodology and incorporated the pension adjustments from the ICP audit findings into our own calculations. Therefore, we maintain that our finding and recommendation, as revised, are valid.

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INTRODUCTION

WHY WE DID THIS REVIEW

Medicare contractors are eligible to be reimbursed a portion of their postretirement benefit (PRB) costs by the Centers for Medicare & Medicaid Services (CMS). Contractors that operate a PRB plan on a pay-as-you-go basis are eligible to be reimbursed a portion of their actual payments for PRB costs. In claiming PRB costs, contractors must follow cost reimbursement principles contained in the Federal Acquisition Regulation (FAR) as required by the Medicare contracts. Previous Office of Inspector General (OIG) reviews found that Medicare contractors have not always complied with Federal requirements when claiming PRB costs for Medicare reimbursement.

At CMS's request, the OIG, Office of Audit Services, Region VII pension audit team reviews the cost elements related to qualified defined-benefit, nonqualified defined-benefit, PRB, and any other pension-related cost elements claimed by Medicare fiscal intermediaries and carrier contractors and Medicare administrative contractors (MACs) and CAS- and FAR-covered contracts through Final Administrative Cost Proposals, Incurred Cost Proposals (ICPs), or both.

For this review, we focused on one entity, National Government Services, Inc. (NGS). In particular, we examined the allowable Medicare segment PRB costs that NGS claimed for Medicare reimbursement and reported on its ICPs.

OBJECTIVE

Our objective was to determine whether the calendar years (CYs) 2007 through 2014 PRB costs that NGS claimed for Medicare reimbursement, and reported on its ICPs, were allowable and correctly claimed.

BACKGROUND

National Government Services, Inc., and Medicare

NGS is a wholly owned subsidiary of Federal Government Solutions, which is a holding company created and owned by Anthem, Inc. (formerly WellPoint, Inc.). NGS administered Medicare Parts A and B under cost reimbursement contracts with CMS until its contractual relationships ended on July 13, 2013, and August 20, 2012, respectively. Effective November 17, 2006, WellPoint consolidated its Government contracting segments into one segment, AdminaStar Federal, Inc. (AdminaStar), which included the following Government contracting segments: AdminaStar; Anthem Health Plans of Maine, Inc.; Anthem Health Plans of New Hampshire, Inc.; United Government Services, LLC (UGS); and WellChoice, Inc. (formerly Empire). As of that same date, AdminaStar changed its corporate name to NGS.

With the implementation of Medicare contracting reform,¹ NGS continued to perform Medicare work as a MAC. NGS was awarded the MAC contracts for Medicare Durable Medical Equipment (DME) and Medicare Parts A and B, Jurisdiction B and Jurisdiction 13, effective January 1, 2006, and March 18, 2008, respectively.^{2, 3} NGS continued its MAC work after again being awarded the DME contract, Jurisdiction B, on September 2, 2010. NGS was also awarded the Medicare Parts A and B contracts (which include home health and hospice services) for Jurisdiction 6 and Jurisdiction K, effective September 27, 2012, and February 22, 2013, respectively.^{4, 5}

Anthem sponsors a PRB plan called the WellPoint Voluntary Employee Benefit Association (VEBA) Retiree Health Benefits Plan (later renamed the Anthem VEBA Retiree Health Benefits Plan). In addition, Anthem sponsors the Anthem Retirees Life Insurance Plan. The purpose of these plans is to provide medical, dental, vision, and life coverage to eligible retirees and their eligible family members. These plans are offered to NGS employees. At the beginning of our audit period, NGS claimed PRB costs on an accrual basis. However, NGS requested and received CMS approval to change its methodology from an accrual basis to the pay-as-you-go method.

This report addresses the allowable PRB costs calculated by NGS under the provisions of its MAC contracts and CAS- and FAR-covered contracts. We are addressing the PRB costs that NGS claimed under the provisions of its fiscal intermediary and carrier contracts in a separate review.

Medicare Reimbursement of Postretirement Benefit Plan Costs

CMS reimburses a portion of its contractors' PRB costs. In claiming PRB costs, contractors must follow cost reimbursement principles contained in the FAR and applicable Cost Accounting Standards (CAS) as required by the Medicare contracts. To be allowable for Medicare

¹ Section 911 of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, P.L. No. 108-173, required CMS to transfer the functions of fiscal intermediaries and carriers to MACs between October 2005 and October 2011. Most, but not all, of the MACs are fully operational; for jurisdictions where the MACs are not fully operational, the fiscal intermediaries and carriers continue to process claims. For purposes of this report, the term "Medicare contractor" means the fiscal intermediary, carrier, or MAC, whichever is applicable.

² DME Jurisdiction B consists of the States of Illinois, Indiana, Kentucky, Michigan, Minnesota, Ohio, and Wisconsin.

³ Medicare Parts A and B Jurisdiction 13 consists of the States of Connecticut and New York.

⁴ Medicare Part A and B Jurisdiction 6 consists of the States of Illinois, Minnesota, and Wisconsin. NGS's jurisdiction for home health and hospice services consists of the States of Alaska, Arizona, California, Hawaii, Idaho, Michigan, Minnesota, Nevada, New Jersey, New York, Oregon, Washington, and Wisconsin, and the U.S. Territories of American Samoa, Guam, the Northern Mariana Islands, Puerto Rico, and the U.S. Virgin Islands.

⁵ Medicare Parts A and B Jurisdiction K consists of the States of Connecticut, Maine, Massachusetts, New Hampshire, New York, Rhode Island, and Vermont. NGS's jurisdiction for home health and hospice services consists of the States of Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont.

reimbursement, pay-as-you-go PRB costs must be assigned to the period in which the benefits are actually provided, or when the costs are paid to an insurer, provider, or other recipient for current-year benefits or premiums.

Incurred Cost Proposal Audits

At CMS's request, CliftonLarsonAllen LLP (CLA) and Kearney & Company (Kearney) performed audits of the ICPs that NGS submitted for the periods of 2007 through 2014. The objectives of the CLA and Kearney reviews were to determine whether costs were allowable in accordance with the FAR, the U.S. Department of Health and Human Services Acquisition Regulation, and the CAS.

For our current audit, we relied on the CLA and Kearney audit findings and recommendations when computing the allowable PRB costs discussed in this report.

We incorporated the results of the CLA and Kearney audits into our computations of the audited indirect cost rates, and ultimately the PRB costs claimed, for the contracts subject to the FAR. CMS will use our report on allowable PRB costs, as well as the CLA and Kearney audit reports, to determine the final indirect cost rates and the total allowable contract costs for NGS for CYs 2007 through 2014.

HOW WE CONDUCTED THIS REVIEW

We reviewed \$5,531,537 of Medicare PRB costs that NGS claimed for Medicare reimbursement on its ICPs for CYs 2007 through 2014.⁶ After we calculated the allocable PRB costs, we incorporated the results of the CLA and Kearney audits into our calculations of allowable PRB costs.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our finding and conclusions based on our audit objectives.

Appendix A contains details of our audit scope and methodology.

FINDING

The CYs 2007 through 2014 PRB costs that NGS claimed for Medicare reimbursement, and reported on its ICPs, were not always correctly claimed. Specifically, NGS claimed Medicare segment PRB costs of \$5,531,537 for Medicare reimbursement, through its ICPs, for CYs 2007

⁶ NGS's ICPs included only direct PRB costs related to the Medicare segment. We followed NGS's methodology, and for that reason, our audited PRB costs included only direct PRB costs related to the NGS Medicare segment.

through 2014. However, we determined that the allowable PRB costs for this period were \$8,487,420. The difference, \$2,955,883, constituted allowable Medicare PRB costs that NGS did not claim on its ICPs for CYs 2007 through 2014. NGS did not claim these allowable Medicare PRB costs primarily because it based its claim for Medicare reimbursement on an incorrect methodology.

ALLOCABLE POSTRETIREMENT BENEFIT PLAN COSTS UNDERSTATED

During this audit, we calculated the allocable PRB costs for CYs 2010 through 2014 in accordance with Federal requirements.⁷ Using CMS’s PRB Agreement and our calculated allocable costs, we determined that the allocable PRB costs totaled \$14,211,604. NGS identified allocable PRB costs of \$10,807,201. Therefore, NGS understated the allocable PRB costs by \$3,404,403.⁸

We used these allocable PRB costs to determine the allowable PRB costs for Medicare reimbursement. Table 1 below compares the allocable PRB costs that we determined for CYs 2007 through 2014 with the costs that NGS reported for the same timeframe.

Table 1: Medicare Segment Allocable PRB Costs

CY	Allocable Per Audit⁹	Per NGS	Difference
2007	\$1,126,211	\$1,654,270	(\$528,059)
2008	1,201,540	1,790,365	(588,825)
2009	1,978,304	2,000,002	(21,698)
2010	2,202,420	1,201,084	1,001,336
2011	2,202,839	1,210,740	992,099
2012	1,838,411	1,210,740	627,671
2013	1,654,165	870,000	784,165
2014	2,007,714	870,000	1,137,714
Total	\$14,211,604	\$10,807,201	\$3,404,403

⁷ The allocable PRB costs for CYs 2007 through 2009 were determined in the CMS PRB Agreement. On August 22, 2017, CMS and NGS executed this agreement, which closed the prior accounting periods for the PRB costs claimed from FY 2007 through FY 2009. This agreement also allowed NGS to change its method of accounting for the PRBs from the accrual basis to pay-as-you-go (cost basis). No final indirect rate agreements have been issued for this period; therefore, we incorporated the allocable costs into the rates to determine the allowable PRB costs under the provisions of the contracts.

⁸ Because this section of the report discusses our calculations before we incorporated into them the results of the CLA and Kearney ICP audits, the dollar amounts conveyed in this paragraph differ from those conveyed both earlier in the “Finding” section and later in our recommendation.

⁹ The Medicare allocable PRB costs are presented on a CY basis, which includes the total NGS segment for both 2007 and 2008. NGS’s 2007 ICP included only 9 months of the AdminaStar segment and its 2008 ICP included a 15-month period of the entire NGS segment. Although we have presented the CYs 2007 and 2008 allocable PRB costs for NGS, we followed NGS’s methodology in calculating these allowable PRB costs.

POSTRETIREMENT BENEFIT PLAN COSTS CLAIMED

NGS claimed PRB costs of \$5,531,537 for Medicare reimbursement on its ICPs for CYs 2007 through 2014. We calculated the allowable Medicare PRB costs in accordance with Federal requirements. For details on the Federal requirements, see Appendix B.

SOME ALLOWABLE POSTRETIREMENT BENEFIT PLAN COSTS NOT CLAIMED

After incorporating the results of the CLA and Kearney ICP audits, we determined that the allowable PRB costs for CYs 2007 through 2014 were \$8,487,420. Thus, NGS did not claim \$2,955,883 of allowable PRB costs on its ICPs for CYs 2007 through 2014. NGS did not claim these allowable PRB costs primarily because it based its claim for Medicare reimbursement on an incorrect methodology. More specifically, NGS used the accrual basis instead of the pay-as-you-go costs when claiming PRB costs, and NGS did not revise its ICPs to reflect this change.

SUMMARY OF ALLOWABLE MEDICARE POSTRETIREMENT BENEFIT PLAN COSTS NOT CLAIMED

We used the allocable cost information to adjust the indirect cost rates (i.e., the fringe benefit and general and administrative rates) and, in turn, to calculate the information presented in Table 2 below. (Our calculation does not appear in this report because those rate computations that NGS used in its ICPs, and to which we referred as part of our review, are proprietary information.) Table 2 below compares the Medicare segment PRB costs that we calculated (using our adjusted indirect cost rates) to the PRB costs that NGS claimed for Medicare reimbursement for CYs 2007 through 2014.

Table 2: Comparison of Allowable PRB Costs and Claimed PRB Costs¹⁰

CY	Allowable Per Audit	Per NGS	Difference
2007	\$126,515	\$135,197	(\$8,682)
2008	354,470	543,005	(188,535)
2009	955,148	962,034	(6,886)
2010	1,108,510	747,427	361,083
2011	1,285,673	706,603	579,070
2012	1,233,789	812,147	421,642
2013	1,525,254	801,816	723,438
2014	1,898,061	823,308	1,074,753
Total	\$8,487,420	\$5,531,537	\$2,955,883

¹⁰ Our calculations incorporated the rate ceilings associated with the Medicare Parts A and B and DME contracts. We applied the indirect cost rate associated with these contracts when computing the allowable PRB costs for the Medicare Parts A and B and DME contracts. The amounts identified in this table represent the allowable Medicare PRB costs during our audit period and do not represent the Total Company allowable costs on the ICPs.

RECOMMENDATION

We recommend that NGS work with CMS to ensure that its final settlement of contract costs reflects an increase in Medicare PRB costs of \$2,955,883 for CYs 2007 through 2014.

AUDITEE COMMENTS

In written comments on our draft report, NGS did not specifically agree or disagree with our finding and recommendation. NGS stated that it did not agree with the approach we took to calculate the allowable PRB costs. Specifically, NGS did not agree with the incorporation of the adjustments from the ICP audits. These adjustments, according to NGS, have not been “fully negotiated or vetted with CMS. . . . As a result, the allowable costs cited in the recommendation of this report may be misrepresented by the inclusion of ICP audit adjustments that have not been fully negotiated.”

In this context, NGS stated that some of the “Per NGS” allocable PRB costs in Table 1 of this report (Medicare segment allocable PRB costs) “appear to reflect” a restatement of the CY 2009 amount that did not include an adjustment that NGS recorded in the subsequent year. NGS stated that this adjustment had no impact on the total dollars reported in Table 1.

NGS also stated that it would work with CMS to negotiate the overall adjustments due to the ICP adjustments and our audited pension, PRB, nonqualified, and SERP costs and determine the overall impact to CMS.

NGS’s comments appear in their entirety as Appendix C.

OFFICE OF INSPECTOR GENERAL RESPONSE

After reviewing NGS’s comments, we revised some of our calculations of the Medicare segment PRB costs for this final report. Our revisions to this final report, which resulted in a decrease of \$63,495 in allowable PRB costs, were related to adjustments that were either incorrect or omitted from the ICPs calculations in our draft report. We maintain that our finding and recommendation, as revised, are valid.

With respect to NGS’s statement that it disagreed with our calculation of the allowable PRB costs because the incorporation of the adjustments from the ICP audits had not been negotiated with CMS, we incorporated those findings and recommendations because the ICP audit report has been issued in final. We followed the ICP auditors’ methodology and incorporated the pension adjustments from the ICP audit findings into our own calculations. Therefore, our computations do not misrepresent the allowable PRB costs.

With respect to NGS’s discussion of Table 1 of this report, we used the “Per NGS” PRB amounts for CYs 2009 and 2010 for presentation purposes only. Specifically, NGS made an adjustment for CY 2009 allocable PRB costs in CY 2010 and reported this amount on its ICP. We agree with

NGS that this adjustment did not impact the total NGS allocable PRB costs reported in Table 1. Accordingly, we maintain that the information in Table 1 remains valid and we continue to support our allocable PRB cost comparison and our calculations of the allowable PRB costs (revised as mentioned above).

APPENDIX A: AUDIT SCOPE AND METHODOLOGY

SCOPE

We reviewed \$5,531,537 of Medicare PRB costs that NGS claimed for Medicare reimbursement on its ICPs for CYs 2007 through 2014.

Achieving our objective did not require that we review NGS's overall internal control structure. We reviewed the internal controls related to the PRB costs that were included in NGS's ICPs and ultimately used as the basis for Medicare reimbursement, to ensure that these costs were allocable in accordance with the CAS and allowable in accordance with the FAR.

We performed our audit work at our office in Jefferson City, Missouri.

METHODOLOGY

To accomplish our objective, we:

- reviewed the portions of the FAR, CAS, and Medicare contracts applicable to this audit;
- identified the amount of PRB costs claimed on NGS's ICPs;
- determined the extent to which NGS incurred PRB costs by paying premiums relating to PRB coverage;
- incorporated information from the CMS PRB Settlement Agreement (footnote 7);
- interviewed Anthem and NGS staff responsible for identifying the Medicare participants to determine whether the participants were identified in accordance with the Medicare contracts;
- obtained and reviewed the NGS paid PRB claims, to include verifying data and using those data to calculate pay-as-you-go PRB costs that were allowable for Medicare reimbursement for CYs 2010 through 2014;
- reviewed the results of CLA's and Kearney's ICP audit and incorporated those results into our calculations of allowable PRB costs; and
- provided the results of our review to NGS officials on April 30, 2019.

We performed this review in conjunction with the following audits and used the information obtained during these audits:

- *National Government Services, Inc., Understated Its Allocable Pension Costs for Calendar Years 2006 Through 2009 (A-07-14-00453; May 21, 2015);*
- *National Government Services, Inc., Claimed Some Unallowable Medicare Pension Costs Through Its Incurred Cost Proposals (A-07-19-00564);*
- *National Government Services, Inc., Claimed Some Unallowable Medicare Supplemental Executive Retirement Plan Costs Through Its Incurred Cost Proposals (A-07-19-00565);*
and
- *National Government Services, Inc., Claimed Some Unallowable Medicare Nonqualified Plans Costs Through Its Incurred Cost Proposals (A-07-19-00572).*

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our finding and conclusions based on our audit objectives.

APPENDIX B: FEDERAL REQUIREMENTS RELATED TO POSTRETIREMENT BENEFIT PLAN COSTS

FEDERAL REGULATIONS

Federal regulations (FAR 31.205-6(o)(2)) address the allowability of pay-as-you-go PRB costs and require that PRB costs be assigned to the period in which the benefits are actually provided, or when the costs are paid to an insurer, provider, or other recipient for current-year benefits or premiums.

Federal regulations (FAR 52.216-7(a)(1)) address the invoicing requirements and the allowability of payments as determined by Contracting Officer in accordance with FAR subpart 31.2.

MEDICARE CONTRACTS

The Medicare contracts require NGS to submit invoices in accordance with FAR 52.216-7, "Allowable Cost & Payment." (See our citation to FAR 52.216-7(a)(1) in "Federal Regulations" above.)



MEDICARE

A CMS Medicare Administrative Contractor
<http://www.NGSMedicare.com>

August 8, 2019

Sent via Email

Mr. Patrick J. Cogley
 Regional Inspector General for Audit Services
 Office of Audit Services, Region VII
 601 East 12th Street, Room 0429
 Kansas City, Missouri 64106

Reference: Report Number A-07-19-00566

Dear Mr. Cogley:

We are in receipt of the draft audit entitled "National Government Services, Inc. Did Not Claim Some Medicare Postretirement Benefit Plan Costs Through Its Incurred Cost Proposals". Thank you for the opportunity to respond to the facts and reasonableness of the recommendation presented in the report.

Table 1: Medicare Segment Allocable PRB Costs

The amounts reflected in Table 1 under column labeled "Per NGS" appear to reflect a restatement of the calendar year (CY) amount to include adjustments that may have been recorded in a different calendar year period (e.g. an adjustment to true-up CY 2009 recorded in 2010). The current amount reflected in Table 1 for 2009 is \$2,000,002. In 2010, an adjustment was recorded to decrease the previously recorded CY10 amount by \$243,000. If the intent is to align adjustments to the proper reporting period, then the amount for CY09 is \$1,757,002 and the amount for CY10 is \$1,444,084. This does not impact the total dollars reported in Table 1 (\$10,807,201).

NGS Incurred Cost Proposal Adjustments

NGS is not in agreement with the approach taken to develop the unallowable costs cited in the report. The approach consisted of impacting indirect rates not only for the cited OIG findings, but also for audit findings that haven't been fully negotiated or vetted with CMS related to open NGS Incurred Cost Proposal (ICP) audits for years 2007 thru 2014. These proposed ICP adjustments require further discussion with CMS prior to finalizing the ICPs for these cost report years. The incorporation of these adjustments is in no way a concession or agreement by NGS to the proposed ICP adjustments. As a result, the allowable costs cited in the recommendation of this report may be misrepresented by the inclusion of ICP audit adjustments that have not been fully negotiated.

NGS will work with CMS to complete its negotiations of the proposed ICP audit adjustments for 2007 thru 2014. Thru that process, the audited post-retirement costs identified in this report (including audited pension, non-qualified plan and SERP costs identified in other reports) along with the final audited and agreed to ICP adjustments will be incorporated into the respective ICP reports to develop the net impact due to or from CMS.



Conclusion

Although not reflected in the report, NGS was able to confirm the audited allocable post-retirement paid claims used to adjust the amounts reported on the original submitted ICPs. NGS is in agreement with these amounts, which are as follows:

ICP Period	Amount
2007 (9 months)	\$310,834
2008 (15 months)	1,483,093
2009	1,978,304
2010	2,202,420
2011	2,202,839
2012	1,838,411
2013	1,654,165
2014	2,007,714
Total	\$13,677,780

For future reporting, NGS has established and implemented procedures to capture and report retiree paid claim information under the pay-as-you go methodology.

If you have any further questions or need additional clarification, I can be reached at 414-207-2517 or via email at todd.reiger@anthem.com.

Sincerely,

/s/Todd W. Reiger

Todd W. Reiger, CPA
Medicare Chief Financial Officer
National Government Services, Inc.

CC: Andrew Conn – NGS
Matthew Solomson – FGS
Rachel Fleischer – FGS
Tom Healy – FGS
Renee Sherrill – FGS
Mark Sabin – Anthem
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