

Report in Brief

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Report No. A-05-17-00008

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



Why OIG Did This Review

Previous OIG reviews found that States had improperly paid Medicaid Managed Care Organizations (MCOs) capitation payments on behalf of deceased beneficiaries. We conducted a similar review of the Ohio Department of Medicaid, which administers the Medicaid program.

Our objective was to determine whether Ohio made capitation payments on behalf of deceased beneficiaries.

How OIG Did This Review

Our audit covered 81,941 capitation payments, totaling \$90.5 million, made during the period July 1, 2014, through June 30, 2016 (audit period), on behalf of beneficiaries reported as deceased. To identify our population of deceased beneficiaries, we matched the Medicaid Management Information System data to the Social Security Death Master File using the beneficiaries' social security numbers, names, and dates of birth. We then identified all capitation payments that occurred at least 1 month after the beneficiaries' dates of death (DODs).

We selected a stratified random sample of 100 capitation payments totaling \$195,233 (\$127,048 Federal share) to confirm the status of the beneficiaries and to confirm whether payments were made on behalf of the deceased beneficiaries.

Ohio Medicaid Managed Care Organizations Received Capitation Payments After Beneficiaries' Deaths

What OIG Found

Ohio made capitation payments totaling \$90.5 million on behalf of deceased beneficiaries. We confirmed that all beneficiaries associated with the 100 capitation payments in our stratified random sample were deceased. Ohio properly recovered 37 of these capitation payments. However, Ohio did not recover the remaining 63 capitation payments totaling \$74,495 (\$51,431 Federal share). On the basis of our sample results, we estimated that Ohio did not recover unallowable payments to MCOs totaling at least \$51.3 million (\$38 million Federal share) during our audit period.

Ohio did not always identify and process Medicaid beneficiaries' death information. Although Ohio's eligibility systems regularly interfaced with Federal data exchanges that identify dates of death, county caseworkers did not always receive notification that beneficiaries had died.

What OIG Recommends and State Agency Comments

We recommend that Ohio (1) refund \$38 million to the Federal Government; (2) identify and recover unallowable payments made to MCOs during our audit period on behalf of deceased beneficiaries, which we estimate to be at least \$51.3 million; (3) identify capitation payments made on behalf of deceased beneficiaries before and after our audit period and repay the Federal share of amounts recovered; and (4) ensure that the eligibility system Ohio Benefits alerts county case workers of the beneficiaries' DODs and that DODs are recorded in a timely manner to prevent unallowable payments.

Ohio did not say whether it agreed or disagreed with our recommendations. However, Ohio outlined improvements that enhance the identification and change in the status of deceased beneficiaries. It also provided information to clarify its eligibility process for the Client Registry Information System—Enhanced (CRIS-E) database. Regarding our recommendation to recover \$51.3 million, the State agency asked that the impact of deceased beneficiaries on the capitated rates be considered in any final determinations.

We revised the report to address the State agency's comments on the CRIS-E eligibility process. However, the composition of capitation rates was not within the scope of our audit. Therefore, we have not made any changes to our recommendation and defer to CMS to determine any necessary adjustments.