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California Did Not Report and Return All Medicaid Overpayments for the State's Medicaid Fraud Control Unit Cases

Why OIG Did This Audit

This audit, one of a series examining whether States had recovered and returned the correct Federal share of improper provider claim amounts, focused on whether California reported and returned the correct Federal share of overpayments identified by its Medicaid Fraud Control Unit (MFCU) during Federal fiscal year 2023.

What OIG Found

We determined that California should have reported MFCU-determined Medicaid overpayments totaling $231.2 million ($99.3 million Federal share) for 26 cases during the audit period.

- California did not report and return MFCU-determined Medicaid overpayments related to paid claim amounts for 14 cases, totaling $113.3 million ($47.8 million Federal share), on the Form CMS-64.
- California did not report and return $27,515 ($11,006 Federal share) in MFCU-determined Medicaid overpayments for one court-ordered award in its Form CMS-64.
- California did not report and return $74.9 million ($32.1 million Federal share) for 14 cases within the required timeframe.

What OIG Recommends

We made four recommendations to California, including that it return the Federal share of $47.8 million for the unreported overpayments related to paid claims and $11,006 for a court-ordered award. We also recommended that California improve coordination with MFCU and develop policies and procedures to facilitate timely and accurate reporting.

California concurred with three of our recommendations and did not concur with one recommendation. The full recommendations are in the report.