

REPORT HIGHLIGHTS



September 2026 | OAS-25-02-074

New York Made Unallowable Managed Care Capitation Payments on Behalf of Incarcerated Medicaid Enrollees

Why OIG Did This Audit

- New York pays managed care organizations to make services available to eligible Medicaid enrollees in return for a monthly fixed payment (capitation payment) for each enrollee.
- Previous audits found that State Medicaid agencies made unallowable capitation payments on behalf of incarcerated Medicaid enrollees.
- We conducted this audit to determine whether New York made unallowable capitation payments on behalf of incarcerated Medicaid enrollees and to identify the dollar amount of any unallowable capitation payments that were not recovered. We reviewed capitation payments the State agency made to MCOs on behalf of 1,375 incarcerated enrollees.

What OIG Found

- New York made unallowable capitation payments totaling \$7,551,670 (\$6,164,734 Federal share) on behalf of all 1,375 incarcerated Medicaid managed care enrollees in our audit.

What OIG Recommends

We made two recommendations to New York: that it refund \$6,164,734 (Federal share) for unallowable capitation payments on behalf of incarcerated enrollees and that it strengthen its policies and procedures to identify incarcerated individuals enrolled in Medicaid managed care. The full recommendations are in the report.

New York did not indicate concurrence or nonconcurrence with our recommendations but detailed steps it has taken and plans to take in response to our recommendations.