Why OIG Did This Review
The Children’s Health Insurance Program Reauthorization Act of 2009 (CHIPRA) applied to both the Children’s Health Insurance Program and Medicaid. Under CHIPRA, Congress appropriated $3.2 billion for qualifying States to receive bonus payments to offset the costs of increased enrollment of children in Medicaid.

In previous audits of CHIPRA bonus payments in other States, we found millions of dollars in unallowable bonus payments; therefore, we identified CHIPRA bonus payments as a high-risk area. Idaho received $3.8 million in bonus payments for fiscal years (FYs) 2010 through 2013 (audit period).

Our objective was to determine whether the bonus payments that Idaho received were allowable in accordance with Federal requirements.

How OIG Did This Review
We reviewed the bonus payments that Idaho received for the audit period. Our review focused on verifying the accuracy of enrollment information used in the bonus payment calculations and ensuring that the information complied with Federal requirements. We did not review Idaho’s Medicaid eligibility determinations.

Idaho Received Millions in Unallowable Bonus Payments

What OIG Found
Some of the bonus payments that Idaho received for the audit period were not allowable in accordance with Federal requirements. Most of the data used in Idaho’s bonus payment calculations were in accordance with Federal requirements. However, Idaho overstated its FYs 2010 through 2013 current enrollment in its bonus requests to Centers for Medicare & Medicaid Services (CMS) because it included individuals who did not qualify because of their basis-of-eligibility (BOE) category. CMS guidance instructed States to include in their current enrollment only individuals whom the State identifies and reports as having a BOE of “child” in the Medicaid Statistical Information System, which are BOE categories 4, 6, and 8. In addition to these three BOE categories, Idaho incorrectly included individuals from other BOEs, such as BOE 2, “Blind and Disabled.”

As a result of the overstated current enrollment numbers, CMS overpaid Idaho $3.1 million in bonus payments.

What OIG Recommends and Idaho Comments
We recommend that Idaho refund $3.1 million to the Federal Government.

In written comments on our draft report, Idaho did not deny that it had included individuals with BOE categories other than 4, 6, and 8 in its current enrollment. However, Idaho did not concur with our findings or recommendation. Idaho said that the current enrollment numbers it submitted to CMS were in accordance with the intent of statutory criteria for the CHIPRA bonus payments. Additionally, the State agency asserted that CMS’s own guidance did not limit the baseline enrollment calculation to BOE codes 4, 6, and 8 and that Congress did not expressly exclude BOE 2 from the baseline enrollment calculation.

After review and consideration of Idaho’s comments, we maintain that our findings and recommendation are correct. CMS has consistently and reasonably interpreted the statute and explained its approach in addressing Congress’s intent. Therefore Idaho’s current enrollment should only include individuals from BOE categories 4, 6, and 8.

The full report can be found at https://oig.hhs.gov/oas/reports/region4/1708056.asp.