

Report in Brief

Date: November 2020

Report No. A-04-18-07075

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



Why OIG Did This Audit

Florida school districts participating in Medicaid as providers certify quarterly that they have used non-Federal education funds for school-based services.

Prior Office of Inspector General (OIG) audits identified significant overpayments to school districts for school-based services. In those audits, we recommended that the States refund to the Federal Government the unallowable reimbursement that was claimed for the Medicaid school-based services. We performed this audit in Florida to determine whether the unallowable reimbursements we identified in other States also occurred in Florida.

Our objective was to determine whether Florida claimed Federal Medicaid reimbursement for school-based services in accordance with Federal and State requirements.

How OIG Did This Audit

Our audit covered the top 15 school districts, which accounted for 73 percent or \$12.2 million of the total amount paid by Florida. We then selected a stratified random sample of 200 payments totaling \$3,417 from a sampling frame of \$11.8 million for review. Using our sample results, we estimated the value of the unallowable payments made to school districts.

Florida Received Unallowable Medicaid Reimbursement for School-Based Services

What OIG Found

Florida did not always claim Federal Medicaid reimbursement for school-based services in accordance with Federal and State requirements. Of the 200 school-based services in our sample, 168 met Federal and State requirements. However, Florida incorrectly claimed reimbursement for the remaining 32 sampled services totaling \$644 because they did not meet one or more Federal requirements as follows: Individual Education Plans or Plans of Care without the required signature, not enough supporting documentation to substantiate services, and provider qualification requirements such as licenses and training courses missing.

These deficiencies occurred because Florida did not have formal policies and procedures to ensure that the claims school districts submitted were adequately documented. In addition, Florida did not adequately monitor for compliance with Federal and State requirements school-based services claims that the school districts submitted.

On the basis of our sample results, we estimated that Florida claimed at least \$1.4 million in unallowable costs during our audit period.

What OIG Recommends and Florida Comments

We recommend that Florida refund \$1.4 million to the Federal Government, work with CMS to review Medicaid claims for school-based services after our audit period and refund any overpayments, and improve its policies and procedures to ensure that it is adequately monitoring school-based service claims to ensure compliance with Federal and State requirements.

In written comments on our draft report, Florida did not concur with our recommendations. Florida said that it had a strong oversight process, but there were always opportunities for improvement and that it follows the guidance in the Handbook and works with the school districts to provide technical assistance and oversight. In addition, Florida contended that we included claims data in the sampling frame for services not performed at the schools.

We maintain that our findings and recommendations are valid. In addition, based on our discussions with Florida, we did not include claims within the sampling frame that contractors or community providers billed.