

## Report in Brief

Date: April 2020

Report No. A-05-18-00022

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



### Why OIG Did This Audit

In a previous audit, OIG determined that Michigan did not properly report \$1.3 million (Federal share) in Medicaid overpayments for Federal fiscal years (FYs) 2008 and 2009. We performed this audit as a followup to the previous audit. Specifically, we wanted to determine whether the Michigan Department of Health and Human Services (State agency) had reported the overpayments that we identified in the previous audit, as well as Medicaid overpayments identified in FYs 2011 through 2015.

Our objective was to determine whether the State agency reported and refunded Medicaid overpayments on the Quarterly Medicaid Statement of Expenditures for the Medical Assistance Program (Form CMS-64) in accordance with Federal requirements.

### How OIG Did This Audit

Our audit covered \$287 million in 3,039 provider overpayments identified by Michigan between January 1, 2011, and September 30, 2015. From this period, we selected and reviewed a stratified random sample of 124 overpayments totaling \$126.9 million (\$29.7 million Federal share).

## Recommendation Followup: Michigan Did Not Report and Refund the Full Federal Share of Medicaid Overpayments

### What OIG Found

Of the 124 overpayments in our sample, Michigan did not report an overpayment of \$1.9 million (\$1.2 million Federal share) and reported 70 overpayments at the incorrect Federal Medical Assistance Percentage (FMAP), which netted an underreported amount of \$46,370 (Federal share). Michigan reported the remaining overpayments in accordance with Federal requirements.

Also, Michigan did not report \$648,194 of the \$1.3 million (Federal share) in overpayments identified in our previous report, as we had recommended.

Michigan did not follow its procedures for reporting overpayment collections on the Form CMS-64 as prior period adjustments and at the FMAP in effect at the time the original overpayments were reported.

### What OIG Recommends and Michigan Comments

We recommend that Michigan refund to the Federal Government \$1.2 million in overpayments not reported and \$46,370 for overpayments returned at the incorrect FMAP from the current audit and \$648,194 in overpayments not reported from the previous audit.

We also recommend that the State agency follow its policies and procedures to ensure that overpayment collections are reported on the Form CMS-64 as prior period adjustments and at the FMAP in effect at the time the original overpayments were reported.

Michigan agreed with our findings and recommendations and outlined the corrective actions that it was taking.