

Report in Brief

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



Why OIG Did This Audit

The Patient Protection and Affordable Care Act gave States the option to expand Medicaid coverage to low-income adults without dependent children. It also mandated changes to Medicaid eligibility rules and established a higher Federal reimbursement rate for services provided to these beneficiaries, which led us to review whether States were correctly determining eligibility for these newly eligible beneficiaries. (States operate and fund Medicaid in partnership with the Federal Government through the Centers for Medicare & Medicaid Services.) Ohio chose to expand Medicaid coverage.

Our objective was to determine whether Ohio determined Medicaid eligibility for newly eligible beneficiaries in accordance with Federal and State eligibility requirements.

How OIG Did This Audit

We reviewed a stratified random sample of 150 newly eligible beneficiaries who received Medicaid-covered services from October 2014 through March 2015 (audit period). We reviewed supporting documentation to evaluate whether Ohio determined the applicants' eligibility in accordance with Federal and State requirements (e.g., income, citizenship or lawful presence, and other relevant requirements).

Ohio Did Not Correctly Determine Medicaid Eligibility for Some Newly Enrolled Beneficiaries

What OIG Found

For our sample of 150 beneficiaries, Ohio correctly determined Medicaid eligibility for 69 beneficiaries. However, Ohio did not determine eligibility for 18 beneficiaries in accordance with Federal and State requirements and did not provide supporting documentation to verify that the remaining 66 potentially ineligible beneficiaries were newly eligible. (The total exceeds 150 because 3 beneficiaries were found to be ineligible for 1 determination period and found to be potentially ineligible for another period.)

These deficiencies occurred because Ohio's eligibility determination system lacked the necessary system functionality, and eligibility caseworkers made errors. In addition, Ohio did not always maintain documentation to support eligibility determinations.

On the basis of our sample results, we estimated that Ohio made Medicaid payments of \$77.5 million (Federal share) on behalf of 51,219 ineligible beneficiaries and \$746.4 million (Federal share) on behalf of 241,998 potentially ineligible beneficiaries.

What OIG Recommends and Ohio Comments

We recommend that Ohio: (1) redetermine, if necessary, the current Medicaid eligibility of the sampled beneficiaries; (2) ensure that its eligibility determination system has the functionality to verify eligibility requirements and perform eligibility determinations in accordance with Federal and State requirements; (3) educate eligibility caseworkers about relevant Federal and State eligibility requirements; and (4) ensure that documentation supporting eligibility determinations is maintained in beneficiaries' records. The "Recommendations" section in the body of the report lists our recommendations in more detail.

In written comments on our draft report, Ohio did not indicate concurrence or nonconcurrence with our recommendations. However, Ohio described actions it has taken that address our recommendations. Ohio said that it redetermined the current Medicaid eligibility of the sampled beneficiaries, improved the functionality of its eligibility determination system, and provided training to caseworkers. In addition, Ohio plans to review randomly selected cases for eligibility and data entry errors and determine whether additional training needs exist.