

Report in Brief

Date: June 2021

Report No. A-05-19-00022

U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES

OFFICE OF INSPECTOR GENERAL



Why OIG Did This Audit

During research we found the 1915(c) Community Integration and Habilitation Waiver (CIH Waiver) services that Indiana reported on the Form CMS-64 accounted for just over \$1.1 billion in Medicaid expenditures during Federal fiscal years (FFYs) 2015 and 2016. These expenditures represented approximately 5.9 percent of the total Medicaid expenditures reported on the Form CMS-64 during this period. We decided to perform this audit of the CIH Waiver services because of the significant dollar expenditures.

Our objective was to determine whether Indiana ensured that CIH Waiver services at 12 selected providers were provided in accordance with Federal, State, and waiver requirements.

How OIG Did This Audit

Our audit covered 487,576 CIH Waiver service claims from 12 selected CIH service providers, totaling approximately \$467.4 million, that had service dates during FFYs 2015 and 2016.

We randomly selected and reviewed 300 of the 12 service providers' CIH Waiver service claims, with payments totaling \$864,685, to determine whether Indiana ensured that the CIH Waiver services were provided in accordance with Federal, State, and waiver requirements.

We selected the 300 CIH Waiver service claims using a stratified random sample.

Indiana Received Over \$22 Million in Excess Federal Funds Related to Unsupported Community Integration and Habilitation Waiver Services at 12 Selected Service Providers

What OIG Found

Indiana did not ensure that all CIH Waiver services were provided in accordance with Federal, State, and waiver requirements. We determined that services associated with 236 claims were provided in accordance with the requirements; however, services associated with 64 claims were not. Documentation provided by CIH Waiver service providers did not support that services associated with 39 claims were provided in accordance with the requirements. Overpayments associated with these 39 claims totaled \$10,675 (\$7,108 Federal share). In addition, some CIH Waiver service providers were unable to provide any documentation to support 25 claims totaling \$90,802 (\$60,448 Federal share). Therefore, overpayments associated with the 64 claims totaled \$101,477 (\$67,556 Federal share). On the basis of our sample results, we estimated that these providers were unable to support that they provided services totaling at least \$33.5 million (\$22.3 million Federal share) in accordance with the CIH Waiver requirements.

These issues occurred because Indiana's monitoring of CIH Waiver services was not adequate to ensure that services complied with Federal, State, and CIH Waiver requirements.

What OIG Recommends and Indiana's Comments

We recommend that Indiana: (1) refund \$22.3 million to the Federal Government and (2) improve its monitoring of the CIH Waiver program to ensure that service providers comply with Federal, State, and CIH Waiver requirements.

In written comments on our draft report, the State agency generally did not concur with our findings and recommendations. Indiana provided a variety of legal, statistical, and other reasons for not concurring with our recommendation to refund \$22.3 million to the Federal Government. Indiana did not concur with our second recommendation and stated that it actively monitors its providers for compliance with Federal, State, and CIH waiver requirements and already has a robust system in place, which it is continuously improving upon. After considering Indiana's comments, we maintain that our findings and recommendations are valid for the reasons detailed in the report.