Ohio Made Capitation Payments to Managed Care Organizations for Medicaid Beneficiaries With Concurrent Eligibility in Another State

What OIG Found
Ohio made an estimated $5.9 million in August 2018 capitation payments on behalf of beneficiaries who were concurrently eligible and residing in another State. Of the 104 capitation payments in our stratified random sample, 57 capitation payments were associated with beneficiaries who were residing and eligible for Medicaid benefits in Ohio. However, for the remaining 47 capitation payments, totaling $24,912 ($17,620 Federal share), Ohio made capitation payments on behalf of beneficiaries who should not have been eligible for Medicaid benefits in Ohio because they were concurrently eligible and residing in another State. On the basis of our sample results, we estimated that Ohio could have saved $5.9 million ($4.2 million Federal share) for August 2018 capitation payments made to managed care organizations on behalf of beneficiaries with concurrent eligibility.

What OIG Recommends and Ohio’s Comments
We recommend that Ohio (1) develop or enhance current procedures to identify beneficiaries with concurrent eligibility in another State, which could have saved Ohio an estimated $5.9 million ($4.2 million Federal share) in capitation payments for the month of August 2018, and (2) ensure that procedures are in place for county caseworkers to timely review and terminate eligibility for beneficiaries who were identified as concurrently eligible in another State.

In written comments on our draft report, Ohio did not agree or disagree with our findings. In its comments on our recommendations, Ohio said that it intends to continue the use of Public Assistance Reporting Information System (PARIS) files to determine concurrent eligibility. However, Ohio noted several planned enhancements to limit payments to beneficiaries with concurrent eligibility in another State.

Ohio will ensure that PARIS alerts are sent to the counties after the alerts are generated and will ensure the counties’ timely processing of these alerts. Ohio will conduct training covering returned mail procedures, PARIS alerts, and steps that should be taken to properly process a PARIS alert. An additional enhancement will stop eligibility from being passively renewed if there is an unworked PARIS match. Manual eligibility renewal packets will be generated and returned if the individual has moved out of State.

The full report can be found at https://oig.hhs.gov/oas/reports/region5/51900023.asp.