

## Report in Brief

Date: February 2021

Report No. A-05-19-00031

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



### Why OIG Did This Audit

A previous Office of Inspector General (OIG) audit found that a State Medicaid agency had improperly paid capitation payments on behalf of beneficiaries with concurrent eligibility in another State. We conducted a similar audit of Illinois' Medicaid program.

Our objective was to determine whether Illinois made capitation payments on behalf of Medicaid beneficiaries who were residing and enrolled in Medicaid in another State.

### How OIG Did This Audit

Our audit covered 31,679 August 2018 capitation payments, totaling \$10.4 million, made on behalf of beneficiaries with concurrent eligibility in another State during our audit period, July 1 through September 30, 2018. We selected the middle month of our audit period to ensure that beneficiaries were eligible in the months before and after the August 2018 capitation payments. We selected a stratified random sample of 100 capitation payments, totaling \$33,515 (\$20,295 Federal share), and determined whether the beneficiaries were residing and receiving Medicaid benefits in Illinois during the audit period.

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

### What OIG Found

Illinois made an estimated \$3.8 million in August 2018 capitation payments on behalf of beneficiaries who were concurrently eligible and residing in another State. Of the 100 capitation payments in our stratified random sample, 66 capitation payments were associated with beneficiaries who were residing and eligible for Medicaid benefits in Illinois. However, for the remaining 34 capitation payments, totaling \$11,867 (\$6,562 Federal share), Illinois made capitation payments on behalf of beneficiaries who should not have been eligible for Medicaid benefits in Illinois because they were concurrently eligible and residing in another State. On the basis of our sample results, we estimated that Illinois could have saved \$3.8 million (\$2.1 million Federal share) for August 2018 capitation payments made to managed care organizations on behalf of beneficiaries with concurrent eligibility.

### What OIG Recommends and Illinois' Comments

We recommend that Illinois (1) develop or enhance current procedures to identify beneficiaries with concurrent eligibility in another State, which could have saved Illinois an estimated \$3.8 million (\$2.1 million Federal share) in capitation payments for the month of August 2018, and (2) ensure that procedures are in place for 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, Illinois accepted our recommendations. Illinois said that it has implemented Public Assistance Reporting Information System (PARIS) matching improvements for all medical beneficiaries and prioritized PARIS match work with eligibility staff. In addition, Illinois said that it will work to identify and implement strategies to improve the eligibility system's ability to better single out reported address changes to improve processing timeliness. Illinois will also research and pursue use of other States' enrollment data to check applicants for benefits and regularly check enrolled individuals for benefits in other States.