

Report in Brief

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



Why OIG Did This Audit

Previous Office of Inspector General (OIG) audits found that State Medicaid agencies had improperly paid capitation payments on behalf of beneficiaries with concurrent eligibility in another State. We conducted a similar audit of Minnesota's Medicaid program.

Our objective was to determine whether Minnesota 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 7,706 August 2018 capitation payments, totaling \$4.0 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 106 capitation payments, totaling \$45,919 (\$29,458 Federal share), and determined whether the beneficiaries were residing and receiving Medicaid benefits in Minnesota during the audit period.

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

What OIG Found

Minnesota made an estimated \$1.1 million in August 2018 capitation payments on behalf of beneficiaries who were concurrently eligible and residing in another State. Of the 106 capitation payments in our stratified random sample, 71 were associated with beneficiaries who were residing and eligible for Medicaid benefits in Minnesota. However, for the remaining 35 capitation payments, totaling \$15,084 (\$9,167 Federal share), Minnesota made capitation payments on behalf of beneficiaries who should not have been eligible for Medicaid benefits in Minnesota because they were concurrently eligible and residing in another State. On the basis of our sample results, we estimated that Minnesota could have saved \$1.1 million (\$665,000 Federal share) for August 2018 capitation payments made to managed care organizations on behalf of beneficiaries with concurrent eligibility.

What OIG Recommends and Minnesota's comments

We recommend that Minnesota: (1) develop new procedures or enhance current ones to identify beneficiaries with concurrent eligibility in another State, which could have saved Minnesota an estimated \$1.1 million (\$665,000 Federal share) in capitation payments for the month of August 2018; and (2) ensure that county caseworkers follow procedures to timely review and terminate eligibility for beneficiaries who were identified as concurrently eligible in another State.

In written comments on our draft report, Minnesota accepted our recommendations and described actions it has taken or plans to take to address them. Specifically, Minnesota said that it will continue to use the Public Assistance Reporting Information System (PARIS) files to determine concurrent eligibility until a successor system is available, but it will review and revise, as necessary, procedures related to recording and acting on changes of address. Minnesota said that it will remind county and State workers of their responsibilities related to processing PARIS matches and their responsibility to coordinate changes of address across the State's two eligibility systems. Minnesota also noted our use of the Transformed Medicaid Statistical Information System (T-MSIS) database to perform the audit, a system not currently available to States, and said that it looks forward to the day T-MSIS is made available to States for their use.