

Report in Brief

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Report No. A-06-15-00042

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



Why OIG Did This Review

To encourage primary care providers (providers) to participate in the Medicaid program, the Affordable Care Act (ACA) required States to pay increased Medicaid payments (supplemental payments) to eligible providers in calendar years (CYs) 2013 and 2014. The States received a 100-percent Federal matching rate for any supplemental payment. The Arkansas Department of Human Services (State agency) claimed approximately \$73.1 million in supplemental payments to providers in CYs 2013 and 2014 for fee-for-service claims.

Our objective was to determine whether the State agency made the supplemental payments to providers in accordance with Federal requirements.

How OIG Did This Review

Our review covered 8,936 supplemental payments, totaling \$73.1 million paid to providers for services during CYs 2013 and 2014. We selected a stratified random sample of 120 supplemental payments totaling almost \$2.2 million. For any supplemental payments for ineligible codes, we determined to be in error the supplemental payment multiplied by the difference between the regular Federal medical assistance percentage (FMAP) and the 100-percent FMAP. For any other issues (e.g., incorrect rate or units), we determined to be in error the difference between the supplemental payment made and the amount that should have been paid. For any supplemental payments made to ineligible providers, we determined to be in error the entire Federal share that the State agency claimed as a supplemental payment.

Arkansas Did Not Make Supplemental Payments in Accordance With Federal Requirements

What OIG Found

Arkansas did not always make the supplemental Medicaid payments in accordance with Federal requirements. Sixteen of the 120 supplemental payments in our stratified random sample were correct. For 88 of the remaining 104 supplemental payments, Arkansas incorrectly calculated the amount of the payments. An additional six supplemental payments were correctly calculated but were made to ineligible providers. The remaining 10 supplemental payments were both calculated incorrectly and were made to ineligible providers.

On the basis of our sample results, we estimated that Arkansas improperly received at least \$7.1 million in additional Federal share, of which we will recommend recovery of approximately \$3 million.

What OIG Recommends and State Agency Comments

We recommend that Arkansas refund approximately \$3 million to the Federal Government for the Federal share associated with the inappropriate supplemental payments.

Arkansas concurred with our findings and stated its commitment to working with CMS to resolve any monetary paybacks identified in the report.