

Report in Brief

Date: April 2018

Report No. A-06-15-00045

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



Why OIG Did This Review

To encourage primary care providers to participate in the Medicaid program, the Affordable Care Act required States to pay increased Medicaid payments to eligible providers for services in calendar years 2013 and 2014. The States received a 100-percent Federal matching rate for any increased payment over the Medicaid rate in effect on July 1, 2009.

Our objective was to determine whether Texas made the increased Medicaid payments to providers and claimed reimbursement in accordance with Federal requirements.

How OIG Did This Review

Our review covered \$721 million in Federal funds that Texas received for increased provider payments. We reviewed the accuracy of rates Texas used to calculate the increased payments, obtained payment data supporting increased payments Texas claimed, and analyzed that data.

Texas Did Not Make Increased Primary Care Provider Payments and Claim Reimbursement in Accordance With Federal Requirements

What OIG Found

Texas did not always make the increased Medicaid payments to providers and claim reimbursement in accordance with Federal requirements. Of the \$721 million in Federal funds that it received, Texas inappropriately received \$20.7 million in Federal funds because (1) it incorrectly claimed the 100-percent matching rate for payments that were only eligible for the regular matching rate and (2) it made payments that were unallowable.

Additionally, we are setting aside \$1.1 million in Federal funds Texas received for payments that exceeded the providers' actual billed charges. Providers did not complete the billed charges field for some payment data with meaningful amounts, so we could not determine the correct payment amounts for the data.

What OIG Recommends and Texas Comments

We recommend that Texas refund \$20.7 million to the Federal Government that it received for incorrectly claimed and unallowable payments.

We also recommend that Texas work with the Centers for Medicare & Medicaid Services to determine the portion of the \$1.1 million that it received for payments that exceeded providers' billed charges should be refunded to the Federal Government.

In written comments on our draft report, Texas did not indicate concurrence or nonconcurrence with our recommendations. Texas indicated that it would refund payments to the Federal Government that it confirms were incorrectly claimed and unallowable. Texas also indicated it will work with CMS to determine which portion of the \$1.1 million is unallowable and refund it to the Federal Government.

We maintain that our recommendations are valid.