Texas Managed Care Organizations Received Medicaid Capitation Payments After Beneficiary’s Death

What OIG Found
Texas Medicaid did not always stop making capitation payments after a beneficiary’s death, despite its efforts to identify and recover any unallowable payments. Specifically, Texas Medicaid paid $6.4 million for 8,496 capitation payments made between January 1, 2013, and December 31, 2015, for beneficiaries with death dates reported as prior to this period. Though some payments were recovered, we determined that $1.8 million is yet to be recovered and that $840,587 was paid for beneficiaries who we could not determine to be deceased.

What OIG Recommends and Texas Medicaid Comments
We recommend that Texas Medicaid (1) identify and recover unallowable payments totaling $1.8 million from MCOs and refund $1 million (Federal share) to the Federal Government, (2) review capitation payments before and after our audit period for additional unallowable payments for the deceased beneficiaries, (3) work with SSA to determine whether the 77 beneficiaries whose status could not be verified are deceased and recover any unallowable payments, and (4) strengthen its policies and procedures for identifying deceased beneficiaries and denying Medicaid benefits and ending eligibility to prevent future unallowable payments.

Texas Medicaid agreed with our findings and provided information on actions that it had taken or planned to take to address our recommendations.

The full report can be found at https://oig.hhs.gov/oas/reports/region6/61605004.asp.