

Report in Brief

Date: March 2022

Report No. A-06-19-09005

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



Why OIG Did This Audit

While conducting a previous audit in New Mexico, we noted that it had not conducted reconciliations of Indian Health Service (IHS) payments it made to its managed care organizations (MCOs) with actual payments those MCOs made for services provided by IHS facilities. During our exit conference for that audit, New Mexico said that it had completed the IHS reconciliations, but we did not have an opportunity to review them.

Our objective was to determine whether New Mexico claimed IHS expenditures in accordance with Federal and State requirements.

How OIG Did This Audit

Our audit covered \$222.6 million in claimed IHS expenditures for the period July 1, 2012, through December 31, 2016 (audit period). We reviewed New Mexico's reconciliations of claimed and initial IHS expenditures with paid IHS encounter data, verified the accuracy of the IHS encounter data, and conducted a reconciliation of claimed IHS expenditures with paid IHS encounter data for services provided under New Mexico's Salud! and CoLTS waivers (its older waivers).

New Mexico Did Not Claim \$12.4 Million of \$222.6 Million in Medicaid Payments for Services Provided by Indian Health Service Facilities in Accordance With Federal and State Requirements

What OIG Found

New Mexico claimed \$209.4 million of \$222.6 million in IHS expenditures in accordance with Federal and State requirements. However, New Mexico claimed \$12.4 million in IHS expenditures that did not meet Federal and State requirements. Specifically, New Mexico claimed (1) \$6.2 million in unsupported expenditures under its older waivers, which New Mexico did not identify because it did not reconcile initial expenditures with IHS encounter data; (2) \$3.6 million in unsupported expenditures under its current waiver because its reconciliations did not account for encounter data adjustments; and (3) \$2.6 million in expenditures for encounter data MCOs submitted beyond the 2-year limit outlined in the MCO contracts.

Additionally, New Mexico may have claimed \$750,811 for inpatient encounter data with dates-of-service spans that did not support the number of paid inpatient days.

What OIG Recommends and New Mexico's Comments

We recommend that New Mexico (1) refund \$12.4 million to the Federal Government, (2) work with the Centers for Medicare & Medicaid Services to determine the appropriate amount of the additional \$750,811 that it should have claimed and refund the Federal share difference, (3) establish policies and procedures to account for adjustments MCOs make to IHS encounter data after reconciliations are completed, and (4) use the entered date to determine whether the MCO submitted an encounter within the 2-year limit. See the audit report for additional recommendations.

In written comments on our draft report, New Mexico concurred with our recommendation that it use the entered date to determine whether the MCO submitted an encounter within the 2-year limit. New Mexico did not directly address any of our other recommendations but, instead, addressed each of our four findings. New Mexico concurred with our first and third findings and described actions it had taken that address those two findings. However, New Mexico did not concur with our second and fourth findings. After reviewing New Mexico's comments, we maintain that our findings and recommendations are valid.