Why OIG Did This Review
The Centers for Medicare & Medicaid Services (CMS) reimburses a portion of Medicare contractors’ costs for postretirement benefit (PRB) plans. At CMS’s request, the OIG, Office of Audit Services, Region VII pension audit team reviews the cost elements related to PRB costs claimed by Medicare contractors through Incurred Cost Proposals (ICPs).

Previous OIG reviews found that Medicare contractors have not always complied with Federal requirements when claiming PRB costs for Medicare reimbursement.

Our objective was to determine whether the calendar years (CYs) 2008 through 2010 PRB costs that First Coast Service Option, Inc. (FCSO), claimed for Medicare reimbursement, and reported on its ICPs, were allowable and correctly claimed.

How OIG Did This Review
We reviewed $2.7 million of Medicare PRB costs that FCSO reported on its ICPs for CYs 2008 through 2010.

First Coast Service Options, Inc.’s, Postretirement Benefit Costs Were Reasonable and Allowable

What OIG Found
The PRB costs that FCSO claimed for Medicare reimbursement on its ICPs for CYs 2008 through 2010 were allowable and reasonable, and thus were correctly claimed.

The full report can be found at https://oig.hhs.gov/oas/reports/region7/71700501.asp.