

Report in Brief

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



Why OIG Did This Review

The Centers for Medicare & Medicaid Services (CMS) reimburses contractors for a portion of their pension costs, which are funded by the annual contributions that contractors make to their pension plans.

At CMS's request, the HHS, OIG, Office of Audit Services, Region VII pension audit team reviews the cost elements related to qualified defined-benefit plans and any other pension-related cost elements 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 pension costs for Medicare reimbursement.

Our objective was to determine whether the calendar years (CYs) 2010 and 2011 pension costs that TrustSolutions, LLC (TrustSolutions), claimed for Medicare reimbursement, and reported on its ICPs, were allowable and correctly claimed.

How OIG Did This Review

We reviewed the Medicare pension costs that TrustSolutions and affiliated entities reported on a series of ICPs, including the TrustSolutions segment, for CYs 2010 and 2011.

TrustSolutions, LLC, Did Not Claim Some Allowable Medicare Pension Costs Through Its Incurred Cost Proposals

What OIG Found

TrustSolutions claimed Medicare pension costs of \$0 for Medicare reimbursement, through its ICPs, for CYs 2010 and 2011. However, we determined that the allowable Cost Accounting Standards-based pension costs during this period were \$1,944. The difference, \$1,944, represented allowable Medicare pension costs that TrustSolutions did not claim on its ICPs for CYs 2010 and 2011. TrustSolutions did not claim these allowable Medicare pension costs primarily because it chose not to claim Medicare pension costs on its ICPs.

What OIG Recommends and Auditee Comments

We recommend that TrustSolutions work with CMS to ensure that its final settlement of contract costs reflects an increase in Medicare pension costs of \$1,944 for CYs 2010 and 2011.

National Government Services, Inc. (of which TrustSolutions is a subsidiary), concurred with our finding and recommendation and said that it would work with CMS to ensure that final settlement of contract costs reflects an increase in reimbursement for the Medicare pension costs noted in our report.