National Government Services, Inc., Claimed Some Unallowable Medicare Pension Costs

What OIG Found
NGS claimed FYs 2010 through 2013 pension costs of $6.04 million for Medicare reimbursement; however, we determined that the allowable Cost Accounting Standards-based pension costs during this period were $5.28 million. The difference, $763,067, represented unallowable Medicare pension costs that NGS claimed on its FACPs for FYs 2010 through 2013. NGS claimed these unallowable Medicare pension costs primarily because it based its claim for Medicare reimbursement on incorrect cost information.

What OIG Recommends and Auditee Comments
We recommend that NGS revise its FACPs for FYs 2010 through 2013 to reduce its claimed Medicare pension costs by $763,067.

NGS concurred with our finding and recommendation and said that it would work with CMS to adjust and settle cost statements to reflect allowable pension costs identified in our report.

The full report can be found at https://oig.hhs.gov/oas/reports/region7/71800543.asp.