Noridian Healthcare Solutions, LLC, Claimed Some Unallowable Medicare Pension Costs Through Its Incurred Cost Proposals

What OIG Found
NHS claimed pension costs of $19.5 million for Medicare reimbursement, through its ICPs, for CYs 2009 through 2013; however, we determined that the allowable Cost Accounting Standards-based pension costs during this period were $18.6 million. The difference, $826,668, represented unallowable Medicare pension costs that NHS claimed on its ICPs for CYs 2009 through 2013. NHS claimed these unallowable Medicare pension costs primarily because it used incorrect indirect cost rates when claiming pension costs for Medicare reimbursement.

What OIG Recommends and Auditee Comments
We recommend that NHS work with CMS to ensure that its final settlement of contract costs reflects a decrease in Medicare pension costs of $826,668 for CYs 2009 through 2013.

NHS concurred with our recommendation. NHS stated that it would ensure that the final settlement reflected a decrease in Medicare pension costs of $826,668 for CYs 2009 through 2013.