

## 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 a portion of its contractors' Supplemental Executive Retirement Plan (SERP) costs.

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, nonqualified defined-benefit, postretirement benefit, and any other pension-related cost elements claimed by Medicare contractors through Final Administrative Cost Proposals (FACPs).

Previous OIG reviews found that Medicare contractors did not always correctly identify and claim SERP costs.

Our objective was to determine whether the fiscal years (FYs) 2007 through 2013 SERP costs that National Government Services, Inc. (NGS), claimed for reimbursement under its fiscal intermediary and carrier contracts, and reported on its FACPs, were allowable and correctly claimed.

### How OIG Did This Review

We reviewed \$287,457 of Medicare segment SERP costs that NGS claimed for Medicare reimbursement on its FACPs for FYs 2007 through 2013.

## National Government Services, Inc., Claimed Some Unallowable Supplemental Executive Retirement Plan Costs Through Its Final Administrative Cost Proposals

### What OIG Found

NGS claimed SERP costs of \$287,457 for Medicare reimbursement for FYs 2007 through 2013; however, we determined that the allowable SERP costs for this period were \$250,933. The difference, \$36,524, represented unallowable fiscal intermediary and carrier contract SERP costs that NGS claimed on its FACPs for FYs 2007 through 2013. This overclaim occurred primarily because NGS used unallowable compensation when calculating its SERP costs for Medicare reimbursement.

### What OIG Recommends and Auditee Comments

We recommend that NGS work with CMS to revise its FACPs for FYs 2007 through 2013 to reduce its claimed Medicare SERP costs by \$36,524.

NGS concurred with our finding and recommendation and described corrective action that it planned to take.