National Government Services, Inc., Did Not Claim Some Allowable Medicare Postretirement Benefit Costs

What OIG Found
NGS claimed FYs 2010 through 2013 PRB costs of $1.8 million for Medicare reimbursement; however, we determined that the allowable PRB costs during this period were $2.9 million. The difference, $1.1 million, represented allowable Medicare PRB costs that NGS did not claim on its FACPs for FYs 2010 through 2013. NGS did not claim these allowable Medicare PRB costs primarily because it based its claim for Medicare reimbursement on an incorrect methodology.

What OIG Recommends and Auditee Comments
We recommend that NGS revise its FACPs for FYs 2010 through 2013 to increase its claimed Medicare PRB costs by $1.1 million.

NGS concurred with our finding and recommendation and said that it would work with CMS to seek reimbursement for the additional allowable PRB cost identified in our report.