Cahaba Government Benefits Administrators, LLC, Did Not Claim Some Allowable Medicare Pension Costs Through Its Incurred Cost Proposals

What OIG Found
Cahaba GBA claimed pension costs of $10 million for Medicare reimbursement, through its ICPs, for CYs 2014 through 2016; however, we determined that the allowable Cost Accounting Standards-based pension costs during this period were $10.6 million. The difference, $593,158, represented allowable Medicare pension costs that Cahaba GBA did not claim on its ICPs for CYs 2014 through 2016. Cahaba GBA did not claim these allowable Medicare pension costs primarily because it based its claim for Medicare reimbursement on an incorrectly calculated allocable pension cost.

What OIG Recommends and Auditee Comments
We recommend that Cahaba GBA work with CMS to ensure that its final settlement of contract costs reflects an increase in Medicare pension costs of $593,158 for CYs 2014 through 2016.

Cahaba GBA agreed with our recommendation to work with CMS to ensure that its final settlement of contract costs reflects an increase in the Medicare pension costs of $593,158 for CYs 2014 through 2016. In addition, Cahaba GBA stated that it would ensure that future pension costs are claimed in accordance with the Medicare contracts.