

## Report in Brief

Date: September 2020  
Report No. A-07-20-00590

U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES  
**OFFICE OF INSPECTOR GENERAL**



### Why **OIG** Did This Audit

The Centers for Medicare & Medicaid Services (CMS) reimburses a portion of its contractors' nonqualified plan costs.

At CMS's request, the HHS, OIG, Office of Audit Services, Region VII pension audit team reviews the cost elements related to nonqualified plans and any other pension-related cost elements claimed by Medicare contractors through Incurred Cost Proposals (ICPs).

Previous OIG audits found that Medicare contractors did not always comply with Federal requirements when claiming nonqualified plan costs for Medicare reimbursement.

Our objective was to determine whether the calendar years (CYs) 2014 through 2016 nonqualified Supplemental Executive Retirement Plan and Select Plan costs (herein referred to as "nonqualified costs") that Noridian Healthcare Solutions, LLC (NHS), claimed for Medicare reimbursement, and reported on its ICPs, were allowable and correctly claimed.

### How **OIG** Did This Audit

We reviewed \$1.8 million of nonqualified costs that NHS claimed for Medicare reimbursement on its ICPs for CYs 2014 through 2016.

## Noridian Healthcare Solutions, LLC, Claimed Some Unallowable Medicare Nonqualified Plans Costs Through Its Incurred Cost Proposals

### What **OIG** Found

NHS claimed CYs 2014 through 2016 nonqualified costs of \$1.8 million for Medicare reimbursement; however, we determined that the allowable nonqualified costs during this period were \$424,341. The difference, \$1.3 million, represented unallowable Medicare nonqualified costs that NHS claimed on its ICPs for CYs 2014 through 2016. NHS claimed these unallowable Medicare nonqualified costs primarily because it did not calculate these costs in accordance with Federal regulations and the Medicare contracts' requirements.

### 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 nonqualified costs of \$1.3 million for CYs 2014 through 2016.

NHS concurred with our recommendation. NHS stated that it would work with CMS to ensure that its final settlement of contract costs reflects a decrease in Medicare nonqualified costs of \$1.3 million for CYs 2014 through 2016.