Almost All of the Medicare Pension Costs That Companion Data Services, LLC, Claimed Through Its Incurred Cost Proposals Were Allowable

What OIG Found
Almost all of the CYs 2012 through 2016 pension costs that CDS claimed for Medicare reimbursement, and reported on its ICPs, were allowable and correctly claimed. CDS claimed pension costs of $4.028 million for Medicare reimbursement, through its ICPs, for CYs 2012 through 2016; however, we determined that the allowable Cost Accounting Standards-based pension costs during this period were $4.019 million. The difference, $8,989, represented unallowable Medicare pension costs that CDS claimed on its ICPs for CYs 2012 through 2016. CDS claimed these unallowable Medicare pension costs primarily because it used incorrect indirect cost rates when claiming pension costs for Medicare reimbursement. Specifically, CDS used an incorrect allocable pension cost when calculating the indirect cost rates.

What OIG Recommends and Auditee Comments
We recommend that CDS work with CMS to ensure that its final settlement of contract costs reflects a decrease in Medicare pension costs of $8,989 for CYs 2012 through 2016.

CDS did not directly refer to the monetary amount in our recommendation but did say that it would work with CMS to ensure that its final settlement of contract costs is appropriate.

Nothing in CDS’s comments caused us to change our finding or recommendation. Thus, we continue to recommend that CDS work with CMS to ensure that its final settlement of contract costs reflects a decrease in Medicare pension costs of $8,989 for CYs 2012 through 2016.

The full report can be found at https://oig.hhs.gov/oas/reports/region7/72000594.asp.