

Report in Brief

Date: August 2022

Report No. A-07-21-03246

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



Why OIG Did This Audit

Targeted Case Management (TCM) services assist specific State-designated Medicaid groups in gaining access to medical, social, educational, and other types of services. Previous OIG audits found that some States did not always claim Federal Medicaid reimbursement for TCM services in accordance with Federal and State requirements. Our objective was to determine whether Montana claimed Federal Medicaid reimbursement for TCM services during Federal fiscal years (FYs) 2018 through 2020 in accordance with Federal and State requirements.

How OIG Did This Audit

Our audit covered \$42.1 million (\$27.5 million Federal share) in Medicaid payments for TCM services provided and paid for in Montana during FYs 2018 through 2020 (October 1, 2017, through September 30, 2020).

We reviewed documentation for a stratified random sample of 150 unique TCM grouped line items (sample items) from the 4 largest target groups in the State to determine whether the services provided were allowable, case managers providing services were qualified, and recipients receiving services were eligible. We reviewed payment rates to determine whether they matched the approved rates for the period. We compared TCM documentation provided by Montana to applicable Federal regulations and the State plan supplements governing Montana's TCM program.

Montana Claimed Federal Medicaid Reimbursement for More Than \$5 Million in Targeted Case Management Services That Did Not Comply With Federal and State Requirements

What OIG Found

Montana did not always claim Federal Medicaid reimbursement for TCM services during FYs 2018 through 2020 in accordance with Federal and State requirements. Of the 150 randomly sampled grouped line items, 43 sample items were at least partially unallowable because they had at least 1 error related to case managers lacking required experience or qualifications, unsupported services, unallowable services, or an ineligible recipient. Montana had policies and procedures in place for the administration of TCM services that, if followed, would have ensured compliance with Federal and State requirements. Based on our sample results, we estimated that Montana claimed at least \$7.7 million (more than \$5 million Federal share) in unallowable Medicaid reimbursement for these services.

What OIG Recommends and Montana Comments

We recommend that Montana refund to the Federal Government the more than \$5 million (Federal share) in overpayments. We also make procedural recommendations that Montana always follows its established policies and procedures regarding: (1) TCM providers' case manager hiring practices, (2) verification that billed services were allowable and properly documented, and (3) verification that all individuals receiving services were eligible. Furthermore, we make procedural recommendations that Montana require TCM providers to comply with established policies and procedures.

Our draft report had identified 45 sample items with errors. Montana did not concur with 10 of the 45 sample items that we had identified as unallowable, said that these were allowable claims that were consistent with Federal and State law and policy, and gave us additional documentation. Montana neither agreed nor disagreed with our procedural recommendations but described corrective actions that it had taken or planned to take.

After reviewing Montana's comments and the additional documentation provided, we revised, for this final report, the number of errors we identified from 45 to 43 sample items. Accordingly, we revised our statistical estimate and the dollar amount conveyed in our first recommendation. We maintain that our findings and recommendations, as revised, are valid.