National Government Services, Inc., Claimed Some Unallowable Medicare Nonqualified Plan Costs Through Its Incurred Cost Proposals

What OIG Found
NGS claimed nonqualified costs of $668,819 for Medicare reimbursement, through its ICPs, for CYs 2015 through 2018; however, we determined that the allowable nonqualified costs during this period were $11,054. The difference, $657,765, represented unallowable nonqualified costs that NGS claimed on its ICPs for CYs 2015 through 2018. NGS claimed these unallowable nonqualified costs primarily because NGS based its claim for Medicare reimbursement on incorrect allocable nonqualified costs included in the indirect cost rates on the ICPs.

What OIG Recommends and Auditee Comments
We recommend that NGS work with CMS to ensure that its final settlement of contract costs reflects a decrease in the Medicare nonqualified costs of $657,765 for CYs 2015 through 2018.

NGS concurred with our recommendation and said that it would work with CMS to reflect the final allocable costs in its ICPs upon final settlement of CYs 2015 through 2018.