First Coast Service Options, Inc., Claimed Some Unallowable Medicare Nonqualified Plan Costs Through Its Incurred Cost Proposals

What OIG Found
First Coast claimed Medicare nonqualified costs of $926,836 for Medicare reimbursement, through its ICPs, for CYs 2015 through 2018. However, we determined that the allowable costs during this period were $853,642. The difference, $73,194, represented unallowable nonqualified costs that First Coast should not have claimed on its ICPs for CYs 2015 through 2018. This overstatement occurred primarily because First Coast based its claims for Medicare reimbursement on incorrectly calculated Cost Accounting Standards-based nonqualified costs.

What OIG Recommends and Auditee Comments
We recommend that First Coast work with CMS to ensure that its final settlement of contract costs reflects a decrease in Medicare nonqualified costs of $73,194 for CYs 2015 through 2018.

First Coast agreed with our recommendation and said that it would work with CMS to ensure that its final settlement of contract costs reflects a decrease in Medicare nonqualified costs.