

Report in Brief

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



Why OIG Did This Audit

The United States currently faces a nationwide public health emergency due to the opioid crisis. Opioid treatment programs (OTPs) provide medication coupled with counseling services (referred to in this report as “OTP services”) for people diagnosed with an opioid use disorder. This audit is part of OIG’s oversight of the integrity and proper stewardship of Federal funds used to combat the opioid crisis. To perform an initial assessment of the risk of improper Medicaid reimbursement for OTP services, we selected for audit an OTP provider that received the highest Medicaid reimbursement for OTP services in California for calendar year 2018.

Our objective was to determine whether California claimed Medicaid reimbursement for the selected provider’s OTP services in accordance with Federal and State requirements.

How OIG Did This Audit

Our audit covered the selected provider’s Medicaid claims for OTP services provided from January 2017 through July 2019 (audit period), with Medicaid reimbursement totaling \$6.5 million (\$4.3 million Federal share).

We reviewed a stratified random sample of 100 beneficiary-months to determine compliance with Federal and State requirements. A beneficiary-month (which we refer to as a “sample item”) included all claims for OTP services provided to a beneficiary in a month.

California Claimed at Least \$2 Million in Unallowable Medicaid Reimbursement for a Selected Provider’s Opioid Treatment Program Services

What OIG Found

California did not claim Medicaid reimbursement for the selected provider’s OTP services in accordance with Federal and State requirements. Of the 100 sample items, 1 sample item was allowable, but 99 sample items had services that were unallowable. The deficiencies included, among others, the following: individual counseling sessions were not supported with adequate documentation (99 sample items), take-home medications were not provided in accordance with Federal or State regulations (43 sample items), methadone dosing services were administered without proper authorization (6 sample items), and individual counseling and methadone services were provided without a treatment plan in effect (4 sample items). On the basis of our sample results, we estimated that California claimed at least \$2.4 million in unallowable Federal Medicaid reimbursement for OTP services during our audit period.

These deficiencies occurred because California’s oversight activities did not ensure that OTP services met Federal and State requirements. We also identified deficiencies in two areas in which California could improve the quality of care provided to beneficiaries receiving OTP services.

What OIG Recommends and California Comments

We recommend that California: (1) refund \$2.4 million to the Federal Government for unallowable OTP services furnished by the selected provider, (2) ensure that the selected provider complies with Federal and State requirements for providing and claiming reimbursement for OTP services, (3) verify that the selected provider implements corrective action plans that were approved by California, (4) perform postpayment reviews to identify disallowances for OTP services that did not comply with State requirements, and (5) work with the selected provider to improve the quality of care provided to beneficiaries by correcting deficiencies.

California agreed with all of our recommendations and provided information on actions that it planned to take to address our recommendations, including conducting a comprehensive postpayment utilization review of the selected provider (which includes monitoring regulatory requirements to identify deficiencies and recovery of overpayments) and reviewing and monitoring for resolution the provider’s corrective action plan to ensure ongoing monitoring of the quality of care provided to beneficiaries receiving OTP services.