

REPORT HIGHLIGHTS



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Puerto Rico Did Not Designate a Medicaid Contracts Oversight Lead in a Timely Manner and Certified Contracts That Were Noncompliant

Why OIG Did This Audit

- In 2021, the Government Accountability Office found that most of Puerto Rico's Medicaid contract procurements that it reviewed against Federal procurement standards did not include important steps to promote competition and mitigate the risk for fraud, waste, and abuse.
- The Consolidated Appropriations Act, 2023 (the Act) required Puerto Rico to improve its Medicaid procurement oversight by designating a contracting and procurement Oversight Lead and certifying to HHS whether its Medicaid contracts complied with Federal procurement standards. The Act also mandated that OIG report on Puerto Rico's compliance with these oversight and certification requirements.
- This audit assessed whether Puerto Rico complied with Federal contracting and procurement oversight requirements applicable to its Medicaid program.

What OIG Found

Puerto Rico partially complied with Federal contracting and procurement oversight requirements applicable to its Medicaid program. Specifically, Puerto Rico submitted a timely certification to HHS regarding its Medicaid-funded contracting activities; however, it did not designate an Oversight Lead in a timely manner. In addition, Puerto Rico certified three contracts that did not meet Federal standards related to competitive procurement.

What OIG Recommends

We recommend that Puerto Rico: (1) update its contracting and procurement oversight policies and procedures to conform to Federal procurement standards—including policies and procedures related to contracts for leases, goods, and nonprofessional services—and to address the role of the Oversight Lead and the certification process, and (2) provide training to staff on policies and procedures.

Puerto Rico did not indicate concurrence or nonconcurrence with our recommendations but detailed steps it has taken and plans to take to address them.