

# REPORT HIGHLIGHTS



November 2024 | A-06-23-09003

## CGS Administrators, LLC, Did Not Reopen and Recalculate Most Selected Hospices' Caps for Years Prior to 2020

### Why OIG Did This Audit

- Payments made to hospices are limited by inpatient cap and aggregate cap amounts that represent the maximum amount of Medicare payments a hospice could have received for a cap year. The cap amounts are calculated annually, and any amount paid to a hospice above either cap amount is an overpayment and must be repaid to Medicare.
- Medicare administrative contractors (MACs) complete the hospice cap calculations for the inpatient and aggregate cap after the end of the cap year. Cap calculations are subject to CMS reopening regulations, which allow reopening for up to 3 years from the date of the cap calculation.
- Our audit determined whether CGS accurately calculated cap amounts and collected cap overpayments in accordance with CMS requirements.
- This audit is part of a series that reviewed MAC calculations and collections of hospice aggregate and inpatient cap overpayments.

### What OIG Found

- CGS accurately calculated the initial 2020 cap amounts for all 805 hospices that operated in its jurisdiction and collected or attempted to collect the \$9.1 million in cap overpayments it identified. However, for 45 selected hospices, CGS did not reopen and recalculate most hospice caps for prior cap years (i.e., 2017, 2018, and 2019), which limited CGS's overpayment identification and collection for those prior years.
- Because CGS missed cap reopening deadlines and failed to revisit prior years' cap calculations for hospices with Unified Program Integrity Contractor (UPIC) recoupments, it did not calculate and collect additional overpayments totaling \$201,873 for prior cap years.

### What OIG Recommends

We recommend that CGS:

1. discontinue its practices that limited the reopening of prior years' cap calculations and start reopening all prior years' cap calculations,
2. revise policies and procedures so that it meets the reopening deadlines established in the Federal requirements, and
3. conduct the prior years' hospice cap calculations for the five hospices with UPIC recoupments and collect any additional overpayments.

CGS concurred with our second and third recommendations and partially concurred with our first recommendation.