

# REPORT HIGHLIGHTS



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## Massachusetts Generally Claimed Safety Net Care Pool Costs That Complied With Federal Requirements

### Why OIG Did This Audit

- Massachusetts operates its Safety Net Care Pool (SNCP) under MassHealth, its waiver established under section 1115 of the Social Security Act. The SNCP allows the State to make expenditures for, among other things, certified public expenditures (CPEs) for State-owned hospitals and payments to institutions for mental diseases (IMDs) and community-based detoxification centers (CBDCs) to reduce the uncompensated care incurred by these providers.
- Previous OIG audits of uncompensated care programs found that States were significantly overpaid.
- Our audit objective was to determine whether the Massachusetts claimed SNCP expenditures for certain providers for State Fiscal Years (SFYs) 2015–2018 that complied with Federal requirements.

### What OIG Found

- Massachusetts generally claimed SNCP expenditures that complied with Federal requirements under its section 1115 waiver.
- Of the \$706.1 million in SNCP expenditures we audited, \$678.3 million complied with Federal requirements. However, \$27.8 million (\$13.9 million Federal share) did not comply. This includes \$21.6 million in SNCP payments to IMDs and CBDCs that exceeded the uncompensated care for Medicaid-eligible and uninsured patients, and \$6.2 million in CPEs that exceeded the uncompensated care for uninsured patients in state-owned hospitals.
- Massachusetts claimed unallowable costs because it did not have policies and procedures in place to ensure that personnel performed the required reconciliations of the expenditures.

### What OIG Recommends

We made five recommendations, including that Massachusetts, recover \$21.6 million in overpayments to IMDs and CBDCs, correct its \$6.2 million overstatement of CPEs and refund the \$13.9 million Federal share, develop and implement policies and procedures to perform interim and final reconciliations, and perform reconciliations for SFYs subsequent to our audit period. The full recommendations are in the report.

Of our five recommendations, Massachusetts agreed with two, partially agreed with two, and disagreed with one.