

# REPORT HIGHLIGHTS



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## **Pennsylvania Made More Than \$8.7 Million in Unallowable Capitation Payments for Enrollees With Multiple Medicaid Identification Numbers**

### **Why OIG Did This Audit**

Previous Office of Inspector General (OIG) audits identified Federal Medicaid reimbursement for managed care payments that were not claimed in compliance with Federal requirements. Specifically, some enrollees in Medicaid managed care had more than one Medicaid identification (ID) number. As a result, Medicaid managed care organizations (MCOs) received unallowable monthly Medicaid capitation payments for these enrollees.

### **What OIG Found**

Pennsylvania made unallowable capitation payments on behalf of enrollees with multiple Medicaid ID numbers.

- Of the 100 enrollee-matches in our sample, the State agency correctly made capitation payments on behalf of individuals associated with 2 enrollee-matches; however, the State agency incorrectly made capitation payments—totaling \$1,068,308 (\$559,087 Federal share)—on behalf of individuals associated with the remaining 98 enrollee-matches.
- The unallowable capitation payments occurred because the State agency's controls were insufficient to detect or prevent multiple Medicaid ID numbers from being assigned to the same enrollee.
- On the basis of our sample results, we estimated that the State agency made unallowable capitation payments totaling at least \$8,784,549 (\$4,596,390 Federal share) on behalf of enrollees with multiple Medicaid ID numbers during our audit period.

### **What OIG Recommends**

We made five recommendations to Pennsylvania, including that it refund an estimated \$4.6 million to the Federal Government. The full recommendations are in the report.

Pennsylvania concurred with two of our recommendations and did not indicate concurrence or nonconcurrence with three additional recommendations. However, it detailed steps it has taken or plans to take in response to those recommendations.