

Report in Brief

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



Why OIG Did This Audit

The Centers for Medicare & Medicaid Services (CMS) developed the Payment Error Rate Measurement (PERM) program to measure improper payments in Medicaid and the Children's Health Insurance Program and produce error rates for each program, including a review of the eligibility component of Medicaid. CMS recently made substantive changes to its PERM program, which included hiring a contractor to perform PERM eligibility reviews. In addition, prior OIG audits have identified Medicaid eligibility determinations as a high-risk area.

The objective of this audit was to assess the adequacy of the PERM program by determining whether CMS's contractor conducted eligibility reviews for selected States in accordance with Federal and State requirements.

How OIG Did This Audit

Our audit covered 1,311 Medicaid claims reviewed by CMS's eligibility review contractor, totaling over \$1.9 million (Federal share), included in the eligibility review component of the Reporting Year 2019 PERM program for 3 States. We judgmentally selected these States based on various factors, including total Medicaid payments, individual State eligibility error rates, and the types of eligibility errors identified by CMS's eligibility review contractor. We reviewed a random sample of 100 Medicaid claims (total) for the 3 States.

The Centers for Medicare & Medicaid Services' Eligibility Review Contractor Adequately Determined Medicaid Eligibility for Selected States Under the Payment Error Rate Measurement Program

What OIG Found

We determined that CMS's eligibility review contractor correctly determined Medicaid eligibility for the beneficiaries associated with all 100 sampled claims. Based on our sample results, we concluded that CMS's eligibility review contractor adequately determined Medicaid eligibility for three States (Connecticut, Pennsylvania, and Virginia) under CMS's PERM program in accordance with Federal and State requirements.

Accordingly, this report contains no recommendations.