

Department of Health and Human Services

**OFFICE OF  
INSPECTOR GENERAL**

**PUERTO RICO CLAIMED MORE THAN  
\$500 THOUSAND IN UNALLOWABLE  
MEDICAID MANAGED CARE PAYMENTS  
FOR ENROLLEES ASSIGNED MORE  
THAN ONE IDENTIFICATION NUMBER**

*Inquiries about this report may be addressed to the Office of Public Affairs at  
[Public.Affairs@oig.hhs.gov](mailto:Public.Affairs@oig.hhs.gov).*



**Amy J. Frontz**  
Deputy Inspector General  
for Audit Services

September 2023  
A-02-21-01004

# *Office of Inspector General*

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## **OFFICE OF AUDIT SERVICES FINDINGS AND OPINIONS**

The designation of financial or management practices as questionable, a recommendation for the disallowance of costs incurred or claimed, and any other conclusions and recommendations in this report represent the findings and opinions of OAS. Authorized officials of the HHS operating divisions will make final determination on these matters.

## Report in Brief

Date: September 2023  
Report No. A-02-21-01004

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



### Why OIG Did This Audit

Previous OIG audits identified unallowable Federal Medicaid reimbursement for managed care payments (known as capitation payments) on behalf of enrollees who had more than one Medicaid identification (ID) number. We audited Puerto Rico because we previously identified factors that may increase the risk of potential overpayments related to Medicaid enrollees assigned more than one ID number.

Our objective was to determine whether the Puerto Rico Department of Health (DOH) claimed Federal Medicaid reimbursement for capitation payments to managed care organizations (MCOs) on behalf of enrollees who were assigned more than one ID number.

### How OIG Did This Audit

Our audit covered \$1.4 million in Medicaid capitation payments for 578 enrollee-matches that the Puerto Rico Health Insurance Administration (referred to in Spanish as the Administracion de Seguros de Salud de Puerto Rico or ASES) made to MCOs for the same enrollee under different ID numbers for the same month from April 1, 2018, through September 30, 2020 (audit period). We selected and reviewed a stratified random sample of 115 of these enrollee-matches. We defined an enrollee-match as more than one ID number associated with (1) the same Social Security number or (2) the same date of birth, first name (first eight characters), and last name.

## Puerto Rico Claimed More Than \$500 Thousand in Unallowable Medicaid Managed Care Payments for Enrollees Assigned More Than One Identification Number

### What OIG Found

DOH improperly claimed Federal Medicaid funds for capitation payments to MCOs on behalf of enrollees assigned more than one ID number. Specifically, for all 115 enrollee-matches in our sample, DOH claimed unallowable Federal Medicaid funds. The assignment of more than one ID number occurred because DOH case workers did not effectively use search capabilities within DOH's electronic eligibility system to identify whether an applicant was already assigned an ID number, or the process was insufficient to prevent or detect errors. Also, DOH lacked policies and procedures to ensure ASES identified and recovered unallowable payments. On the basis of our sample results, we estimated that DOH claimed at least \$516,762 in unallowable Federal Medicaid funds during our audit period.

### What OIG Recommends and Auditee Comments

We recommend that DOH: (1) refund \$516,762 to the Federal Government, (2) strengthen its process for ensuring that no person is issued more than one ID number, and (3) establish policies and procedures with ASES to ensure ASES recovers unallowable payments made on behalf of enrollees assigned more than one ID number.

In written comments on our draft report, DOH partially concurred with our first and third recommendations, and concurred with our second recommendation. DOH partially concurred with our recommended refund because ASES has been recovering improper payments made on behalf of enrollees assigned more than one ID number. Finally, DOH agreed with our determinations for all 115 enrollee-matches and described actions that it has taken or plans to take to improve its eligibility determination process and recovery of improper payments.

After reviewing DOH's comments, we maintain that our recommendations are valid. DOH did not disagree with, or provide support to refute, our determination that ASES did not begin recovering improper payments until after the start of our audit work. We commend DOH for the actions it has taken or plans to take to address our recommendations.

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## INTRODUCTION

### WHY WE 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.<sup>1</sup> 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<sup>2</sup> for these enrollees. We audited the Puerto Rico Department of Health (DOH) because we previously identified factors that may increase the risk of potential overpayments related to Medicaid enrollees assigned more than one ID number.<sup>3</sup>

### OBJECTIVE

The objective of our audit was to determine whether DOH claimed Federal Medicaid reimbursement for capitation payments to MCOs on behalf of enrollees who were assigned more than one ID number.

### BACKGROUND

#### Medicaid Program

The Medicaid program provides medical assistance to certain low-income individuals and individual with disabilities (Title XIX of the Social Security Act (the Act)). The Federal and State Governments jointly fund and administer the Medicaid program. At the Federal level, the Center for Medicare & Medicaid Services (CMS) administers the program. Each State administers its Medicaid program in accordance with a CMS-approved State plan.<sup>4</sup> The State plan establishes which services the Medicaid program will cover. Although a State has considerable flexibility in designing and operating its Medicaid program, it must comply with Federal requirements.

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<sup>1</sup> See Appendix B for related OIG reports.

<sup>2</sup> MCOs are paid a fee, known as a capitation payment, to ensure that Medicaid enrollees have access to a comprehensive range of medical services.

<sup>3</sup> *Risk Assessment of Puerto Rico Medicaid Program* ([A-02-20-01011](#)), issued Dec. 11, 2020. The risk factors were that ineligible applicants may be enrolled, and Puerto Rico's Medicaid Management Information System is not fully implemented.

<sup>4</sup> The Commonwealth of Puerto Rico is considered a State for the purposes of Medicaid, unless otherwise indicated (the Act § 1101(a)(1)).

## **Puerto Rico's Medicaid Managed Care Program**

In Puerto Rico, DOH administers the Medicaid program, including making eligibility determinations. The Puerto Rico Health Insurance Administration (referred to in Spanish as the Administracion de Seguros de Salud de Puerto Rico or ASES) administers the island-wide government health care delivery system, which includes Medicaid. ASES contracts with and pays MCOs to make services available to Medicaid enrollees.

### *Capitation Payments*

ASES pays monthly capitation payments to MCOs to ensure that Medicaid enrollees have access to a comprehensive range of medical services. The fee is paid regardless of whether enrollees receive services during the month covered by the payment. ASES' CMS-approved MCO contracts state that monthly capitation payments will be reconciled to the actual number of enrollees for that month and that appropriate payment adjustments will be made.<sup>5</sup>

### *Medicaid Eligibility and Assignment of Identification Numbers*

In Puerto Rico, individuals generally apply for Medicaid in person at local DOH offices. DOH case workers use DOH's Medicaid Integrated Technology Initiative (MEDITI) to determine whether applicants meet eligibility requirements. Applicants are automatically assigned an ID number known as a Master Patient Index (MPI). As part of the eligibility process, case workers may use MEDITI's search capabilities to identify whether an applicant was already assigned an ID number in the MEDITI system by using their Social Security number (SSN), full name, and/or date of birth (DOB).

### *Detection and Correction of Multiple ID Numbers*

On a monthly basis, DOH central office employees use a data cleanup application to manually detect whether enrollees have more than one ID number. For potential matches, DOH staff review the associated eligibility determinations and demographic data (i.e., SSN, full name, and DOB) to determine whether an enrollee was assigned more than one ID number. DOH staff also analyze encounter data<sup>6</sup> associated with each ID. If multiple IDs are confirmed for the same enrollee, DOH merges the ID numbers in its data cleanup application, cancels one of the numbers, and keeps one of them active. DOH then shares details of the cancelled ID number with ASES, which is responsible for identifying and recovering unallowable capitation payments made on behalf of the cancelled ID number.

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<sup>5</sup> ASES' CMS-approved MCO contracts, section 22.1.1.

<sup>6</sup> Encounter data are the primary records of medical services provided to people enrolled in managed care.

## HOW WE CONDUCTED THIS AUDIT

We limited our audit to Medicaid capitation payments made to MCOs for the same enrollees under different ID numbers for the same month. Specifically, we identified 578 enrollee-matches<sup>7</sup> with payments totaling \$1,427,339 that ASES made to MCOs during the period April 1, 2018, through September 30, 2020 (audit period).<sup>8</sup> We selected and reviewed a stratified random sample of 115 enrollee-matches.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix A contains the details of our audit scope and methodology, Appendix C contains our sample design and methodology, and Appendix D contains our sample results and estimates.

## FINDING

DOH improperly claimed Federal Medicaid funds for capitation payments to MCOs on behalf of enrollees assigned more than one ID number. Specifically, for all 115 enrollee-matches in our sample, DOH claimed unallowable Federal Medicaid funds. The assignment of more than one ID number occurred because DOH case workers did not effectively use MEDITI's search capabilities to identify whether an applicant was already assigned an ID number, or the process was insufficient to prevent or detect errors.<sup>9</sup> Also, DOH lacked policies and procedures to ensure ASES identified and recovered unallowable payments. On the basis of our sample results, we estimated that DOH claimed at least \$516,762 in unallowable Federal Medicaid funds during our audit period.<sup>10</sup>

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<sup>7</sup> We defined an enrollee-match as more than one ID number associated with (1) the same SSN or (2) the same DOB, first name (first eight characters), and last name.

<sup>8</sup> The audit period encompassed the most recent, complete capitation payment and Medicaid enrollee eligibility data available at the time we initiated our audit.

<sup>9</sup> Specifically, case workers and a system deficiency created variations in the eligibility data that may have prevented case workers from effectively searching to identify if an ID number was already assigned to the applicant.

<sup>10</sup> To be conservative, we recommend recovery at the lower limit of a two-sided 90-percent confidence interval. Lower limits calculated in this manner are designed to be less than the actual overpayment total 95 percent of the time.

## **DEPARTMENT OF HEALTH CLAIMED UNALLOWABLE MEDICAID PAYMENTS FOR ENROLLEES WITH MORE THAN ONE IDENTIFICATION NUMBER**

DOH has a cooperative agreement with ASES, which administers Puerto Rico's health insurance system, including Medicaid. ASES' CMS-approved MCO contracts state that monthly capitation payments will be reconciled to the actual number of enrollees for that month and that appropriate payment adjustments will be made. Generally, States must refund the Federal share of Medicaid overpayments to CMS (the Act § 1903(d)(2)(A) and 42 CFR § 433.312). Overpayments are amounts paid in excess of allowable amounts and would include unallowable capitation payments made on behalf of the same person for the same coverage of services.

DOH claimed unallowable Federal Medicaid funds for all 115 enrollee-matches in our sample for capitation payments made on behalf of enrollees assigned more than one ID number for the same month. DOH merged (i.e., corrected) the ID numbers for 107 of the 115 enrollees associated with our sample enrollee-matches; however, it took up to 35 months to merge the ID numbers. Nevertheless, ASES continued to make or did not timely recover the unallowable payments associated with these ID numbers.<sup>11</sup>

The assignment of more than one ID number occurred because DOH case workers did not effectively use MEDITI's search capabilities to identify whether an applicant was already assigned an ID number, or the process was insufficient to prevent or detect errors.<sup>12</sup> Also, DOH lacked policies and procedures to ensure ASES identified and recovered unallowable payments associated with enrollees assigned more than one ID number.

### **ESTIMATE OF UNALLOWABLE CAPITATION PAYMENTS**

On the basis of our sample results, we estimated that DOH claimed at least \$516,762 in unallowable Federal Medicaid funds for capitation payments made on behalf of enrollees assigned more than one ID number.

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<sup>11</sup> During our audit work, as a result of OIG's discussions with DOH and ASES, starting in October 2021, ASES began adjusting some or all overpayments for 51 of the 107 enrollees to correct capitation payments made on behalf of enrollees with more than one ID. As we had already started our audit work, we did not consider these adjustments in our calculation of our estimated overpayment amount.

<sup>12</sup> Specifically, during the eligibility process, case workers made data entry errors (e.g., transposed SSNs, entered full middle names or middle initials), or used a dummy SSN to create one ID number. In addition, a system deficiency created ID numbers by only using the last four digits of an applicant's SSN. As a result, variations were created in the eligibility data that may have prevented case workers from effectively searching to identify if an ID number was already assigned to the applicant.

## RECOMMENDATIONS

We recommend that the Puerto Rico Department of Health:

- refund \$516,762 to the Federal Government,
- strengthen its process for ensuring that no person is issued more than one ID number, and
- establish policies and procedures with ASES to ensure ASES recovers unallowable payments made on behalf of enrollees assigned more than one ID number.

### DEPARTMENT OF HEALTH COMMENTS AND OFFICE OF INSPECTOR GENERAL RESPONSE

In written comments on our draft report, DOH partially concurred with our first and third recommendations, and concurred with our second recommendation. DOH partially concurred with our recommended refund because ASES has been recovering improper payments made on behalf of enrollees assigned more than one ID number. Finally, DOH agreed with our determinations for all 115 enrollee-matches and described actions that it has taken or plans to take to improve its eligibility determination process and recovery of improper payments.

After reviewing DOH's comments, we maintain that our recommendations are valid. DOH did not disagree with, or provide support to refute, our determination that ASES did not begin recovering improper payments until after the start of our audit work. We commend DOH for the actions it has taken or plans to take to address our recommendations.

A summary of DOH's comments and our responses follows. DOH's comments are included as Appendix E.<sup>13, 14</sup>

### DEPARTMENT OF HEALTH COMMENTS

DOH partially concurred with our first recommendation because, according to DOH, ASES has recovered almost \$123,000 for enrollees assigned more than one ID number. DOH provided documentation detailing the calculation of the recoveries and describing corrective actions it requested ASES to take to recover remaining improper payments. DOH also agreed with our determinations for all 115 enrollee-matches and described how it plans to correct these errors and recover associated overpayments.

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<sup>13</sup> We did not include attachments to DOH's comments because they were too voluminous and contained personally identifiable information; however, they will be provided separately in their entirety to CMS.

<sup>14</sup> In its comments dated August 2, 2023, DOH disagreed with our determinations for three enrollee-matches. Subsequently, in comments dated August 30, 2023, DOH agreed that these enrollee-matches were associated with enrollees assigned more than one ID number. (See Appendix F.)

DOH concurred with our second recommendation to ensure that no person is issued more than one ID number and described strategies it has taken or plans to take to improve its eligibility determination process, including issuing a new policy to update and integrate procedures to avoid assigning more than one ID to the same enrollee.

DOH partially concurred with our third recommendation to establish policies and procedures with ASES to ensure ASES recovers unallowable payments because, according to DOH, ASES has had procedures since January 2021 to manage the recovery of duplicate payments for cases in which more than one ID number had been assigned to the same enrollee. To further coordinate efforts between DOH and ASES, DOH stated that ASES plans to revise its standard operating procedures and share them with DOH.

### **OFFICE OF INSPECTOR GENERAL RESPONSE**

Although DOH only partially concurred with our first recommendation, it did not disagree with, or provide support to refute, our determination that ASES did not begin recovering improper payments until after the start of our audit work. Further, after reviewing DOH's documentation detailing ASES' recoveries, we determined that DOH overstated this amount due to calculation errors. Therefore, we maintain our recommended refund. Regarding our third recommendation, we note that, according to DOH, ASES did not have procedures to recover unallowable payments until after we initiated our audit, and these procedures did not ensure that DOH and ASES coordinated their efforts to recover improper payments. We also note that a procedure document that DOH provided with its comments has not been signed as approved; therefore, we are unable to verify that ASES currently has procedures in place to address our recommendation.

We commend DOH for the actions it has taken or plans to take to improve its eligibility determination process and recovery of improper payments. We maintain that our recommendations are valid.

## APPENDIX A: AUDIT SCOPE AND METHODOLOGY

### SCOPE

Our audit covered Medicaid capitation payments ASES made to MCOs for the same month for 578 enrollee-matches totaling \$1,427,339 during the period April 1, 2018, through September 30, 2020 (audit period).<sup>15</sup>

We did not review the overall internal control structure of DOH or Puerto Rico's Medicaid program. Rather, we reviewed only those internal controls related to our objective. We limited our audit to determining whether Puerto Rico made capitation payments to MCOs on behalf of enrollees who were assigned more than one ID number, thus causing unallowable capitation payments.

We conducted our audit work from December 2020 through June 2023.

### METHODOLOGY

To accomplish our objective, we:

- reviewed applicable Federal and Commonwealth laws and regulations, and the CMS-approved MCO contracts;
- reviewed DOH's policies and procedures for assigning ID numbers and for preventing the assignment of more than one ID number;
- obtained and reviewed from ASES a detailed list of capitation payments made to MCOs during the audit period;
- obtained and reviewed from DOH a detailed list of Medicaid enrollees active during the audit period;<sup>16</sup>
- assessed the reliability of capitation payment and Medicaid enrollee eligibility data by (1) reviewing existing information and interviewing agency officials knowledgeable about the data, (2) performing logical/electronic testing, and (3) reconciling the Medicaid capitation data reported on DOH's Form CMS-64, Quarterly Medicaid Statement of Expenditures during our audit period with the capitation data obtained

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<sup>15</sup> We performed data analytics to identify these 578 enrollee-matches.

<sup>16</sup> The Medicaid enrollee eligibility data did not contain associated eligibility data for all of the capitation payments made during the audit period. Therefore, all potential enrollee-matches related to capitation payments made during the audit period may not have been identified due to this limitation.

from ASES and determined that the data were sufficiently reliable for the purposes of this report;

- joined the capitation and eligibility data using a unique identifier (MPI);
- performed data analytics to identify a sampling frame of 578 enrollee-matches with more than one capitation payment for the same month totaling \$1,427,339;
- selected a stratified random sample of 115 enrollee-matches from our sampling frame (Appendix C);
- obtained and reviewed case record documentation from DOH local offices for each sampled enrollee-match and, for each enrollee-match:
  - determined whether an enrollee was assigned more than one ID number and
  - obtained the date the associated IDs were merged (i.e., corrected) or, for IDs that were not merged, reviewed encounter data to determine which capitation payment was unallowable;
- determined the Federal share of the unallowable payments in our sample made on behalf of enrollees assigned more than one ID number;
- estimated the unallowable Federal Medicaid reimbursement in the sampling frame of 578 enrollee-matches; and
- discussed our results with DOH officials.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

**APPENDIX B: RELATED OFFICE OF INSPECTOR GENERAL REPORTS**

<b>Report Title</b>	<b>Report Number</b>	<b>Date Issued</b>
<i>California Made Almost \$16 Million In Unallowable Capitation Payments for Beneficiaries With Multiple Client Index Numbers</i>	<a href="#"><u>A-04-21-07097</u></a>	10/25/2022
<i>Kentucky Made Almost \$2 Million in Unallowable Capitation Payments for Beneficiaries With Multiple Medicaid ID Numbers</i>	<a href="#"><u>A-04-20-07094</u></a>	12/02/2021
<i>New York Made Unallowable Payments Totaling More Than \$9 Million to the Same Managed Care Organization for Beneficiaries Assigned More Than One Medicaid Identification Number</i>	<a href="#"><u>A-02-20-01007</u></a>	05/11/2021
<i>Florida Made Almost \$4 Million in Unallowable Capitation Payments for Beneficiaries Assigned Multiple Medicaid ID Numbers</i>	<a href="#"><u>A-04-18-07080</u></a>	03/23/2020
<i>New York Made Unallowable Payments Totaling More Than \$10 Million for Managed Care Beneficiaries Assigned Multiple Medicaid Identification Numbers</i>	<a href="#"><u>A-02-18-01020</u></a>	02/20/2020
<i>Tennessee Made Unallowable Capitation Payments for Beneficiaries Assigned Multiple Medicaid Identification Numbers</i>	<a href="#"><u>A-04-18-07079</u></a>	10/29/2019
<i>Georgia Made Unallowable Capitation Payments for Beneficiaries Assigned Multiple Medicaid Identification Numbers</i>	<a href="#"><u>A-04-16-07061</u></a>	12/27/2017
<i>Texas Made Unallowable Medicaid Managed Care Payments for Beneficiaries Assigned More Than One Medicaid Identification Number</i>	<a href="#"><u>A-06-15-00024</u></a>	03/01/2017
<i>New York State Made Unallowable Medicaid Managed Care Payments for Beneficiaries Assigned Multiple Medicaid Identification Numbers</i>	<a href="#"><u>A-02-11-01006</u></a>	04/15/2013

## APPENDIX C: SAMPLE DESIGN AND METHODOLOGY

### SAMPLING FRAME

The sampling frame consisted of 578 enrollee-matches with Medicaid capitation payments totaling \$1,427,339 made to MCOs during the period April 1, 2018, through September 30, 2020. An enrollee-match occurred when more than one ID was associated with the same SSN or when select enrollee information (first eight characters of the first name, entire last name, and DOB) was the same for more than one ID.

### SAMPLE UNIT

The sample unit was an enrollee-match.

### SAMPLE DESIGN AND SAMPLE SIZE

We used a stratified random sample. We divided the sampling frame into four strata based on whether the enrollee-match was on an SSN or select enrollee information and then by the total capitation payments for the enrollee-match:

Stratum	Description	Number of Frame Units	Frame Capitation Payment Amount <sup>17</sup>	Sample Size
1	Enrollee-match by SSN and capitation payments $\leq$ \$2,477.72	385	\$329,044	40
2	Enrollee-match by SSN and capitation payments $>$ \$2,477.72 and $\leq$ \$11,181.14	178	842,364	60
3	Enrollee-match by SSN and capitation payments $>$ \$11,181.14	10	252,619	10
4	No SSN match, but enrollee-match by select information	5	3,312	5
<b>Total</b>		<b>578</b>	<b>\$1,427,339</b>	<b>115</b>

### SOURCE OF RANDOM NUMBERS

We generated the random numbers with OIG, Office of Audit Services (OAS), statistical software.

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<sup>17</sup> This amount represents the total capitation payments made to the MCOs in the sampling frame. Due to a limitation in the data available for the calculation of the Federal share of the sampling frame, the Federal share was only determined for each sampled item and any overpayments identified (Appendix D).

## **METHOD OF SELECTING SAMPLE ITEMS**

We sorted the items for strata 1 and 2 by SSN and then consecutively numbered the items in each stratum in the sampling frame. After generating random numbers for strata 1 and 2, we selected the corresponding frame items for review. We selected all 15 enrollee-matches in strata 3 and 4.

## **ESTIMATION METHODOLOGY**

We used the OIG-OAS statistical software to estimate the Federal share of Medicaid capitation overpayments in the sampling frame at the lower limit of the two-sided 90-percent confidence interval. Lower limits calculated in this manner are designed to be less than the actual overpayment total 95 percent of the time.

**APPENDIX D: SAMPLE RESULTS AND ESTIMATES**

**Sample Details and Results**

<b>Stratum</b>	<b>Enrollee-Matches in Frame</b>	<b>Value of Frame (Total)<sup>18</sup></b>	<b>Sample Size</b>	<b>Value of Sample (Federal Share)</b>	<b>Number of Enrollee-Matches with Overpayments</b>	<b>Value of Overpayments in the Sample (Federal Share)</b>
1	385	\$329,044	40	\$31,291	40	\$14,521
2	178	842,364	60	250,546	60	119,361
3	10	252,619	10	230,050	10	54,669
4	5	3,312	5	3,208	5	1,601
<b>Total</b>	<b>578</b>	<b>\$1,427,339</b>	<b>115</b>	<b>\$515,095</b>	<b>115</b>	<b>\$190,153<sup>19</sup></b>

**Estimated Value of Overpayments in the Sampling Frame (Federal Share)**  
*(Limits Calculated at the 90-Percent Confidence Level)*

Point Estimate	\$550,143
Lower Limit	516,762
Upper Limit	583,524

<sup>18</sup> Due to a limitation in data available for the calculation of the Federal share of the sampling frame, the Federal share was only determined for each sampled item and any overpayments identified.

<sup>19</sup> The individual strata values do not add to the total value due to rounding.

## APPENDIX E: DEPARTMENT OF HEALTH COMMENTS (AUGUST 2, 2023)



### DEPARTMENT OF HEALTH PUERTO RICO MEDICAID PROGRAM

August 2, 2023.

Brenda M Tierney  
Regional Inspector General  
For audit services

Dear Ms. Tierney:

Puerto Rico Department of Health (PRDOH) values the opportunity to respond to the report number A-02-21-01004 for the Medicaid Program for June 2023 regarding the audit period between April 1, 2018, through September 30, 2020. As such we have considered your findings and herein, PRMP will address them.

#### Findings:

OIG alleges that PRDOH improperly claimed Federal Medicaid funds for capitation payments to MCO's on behalf of enrollees assigned more than one Medicaid Id number. Specifically, for all the 115 enrollee matches in the sample, it is alleging that PRDOH claimed unallowable Federal Medicaid funds. As per the OIG report, the assignment of more than one Id number occurred because of the program caseworkers did not effectively use the system capabilities to identify whether an applicant has already been assigned an Id number or the process was deficient.

#### Recommendations:

1. Refund \$516,762.00 to the Federal Government.
2. Strengthen its process for ensuring that no person is issued more than one Id number.
3. Establish policies and procedures with ASES to ensure ASES recovers unallowable payments made on behalf of enrollees assigned more than one Id number.

#### PRDOH Response:

The Medicaid Program in Puerto Rico understands the significance of the findings and while we concur in part, we dispute part of your findings. Accordingly, we have revised and updated the policies and procedures to avoid assigning more than one id number to the beneficiaries.

We dispute your calculations in part because ASES has been processing through the past years, the recovery of related improper payments and has adjusted its claims accordingly.

PO Box 70184, San Juan, PR 00936-8184

787-765-2929 Ext. 6700

[www.salud.gov.pr/medicaid](http://www.salud.gov.pr/medicaid)



## DEPARTMENT OF HEALTH PUERTO RICO MEDICAID PROGRAM

Our responses to the recommendations are presented herein:

1. Refund \$516,762.00 to the Federal Government.

PRMP disagrees with the recommendation in part.

For the period covered by the audit, PRMP was using a different eligibility platform that did not provide confirmation for the cancellations sent. Therefore, in many of the cases a merged was completed but the cancellation was not received by ASES, or it was processed using an incorrect date.

Using the data submitted by the OIG report, ASES informed PRMP that it has recovered \$122,710.52. This implies that the individuals in the represented cases were correctly identified as having two MPI's<sup>1</sup> assigned, the cancellation was received, and the capitation payments recovered by ASES. The recoupments were accounted for in the adjustments for those periods.

As for the rest of the MPI's covered by your report. PRMP identified 118 MPI's that required validation. Our analysis is represented in the table below:

Analysis <sup>2</sup>	Number of MPI's
MPIs included in the list that require cancellation. These cancellations were not processed timely by PRMP. ASES will need to process the cancellation as required and process the recovery.	17
MPI's identified with an incorrect cancellation date. ASES needs to reflect the correct cancellation date and process the corresponding recoupment. For these cases, a partial recovery was received by a ASES and adjusted accordingly.	98
MPI's that correspond to individual beneficiaries. These are not duplicates and were incorrectly identified by OIG as duplicates. The capitation payments for these MPI were not improper and do not require adjustments.	3
Total	118

<sup>1</sup> Master Patient Index

<sup>2</sup> See Attachment 2. CNCL Explanation.



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Following this analysis, on July 28, 2023, PRMP sent a certified letter to ASES requesting the cancellation of 17 MPI's and the correction of the cancellation date for 98 MPI's. See Attachment 3. Therefore, the recoupment for these 115 MPI's by ASES will be processed within the next 60 days and the adjustments will be reflected accordingly.

Finally, PRMP found that three of the cases in your report did not correspond to beneficiaries with more than one MPI's, thus the capitation payments for these were incorrectly identified as improper payments and do not require adjustment.

2. Strengthen its process for ensuring that no person is issued more than one Id number.

PRMP concurs with the recommendation and in pursuing this goal we have worked several strategies to improve our eligibility determination process. See the following:

- a. On June 2021, PRMP installed a new eligibility platform that has been certified by CMS. This new platform was selected due to its capabilities to meet CMS standards with the intention to reduce fraud, abuse, and waste. The platform includes a links with the Federal Hub and other state agencies to provides electronic verification for social security numbers among other features.
  - b. On March 17, 2023, the Program updated the instructions for the evaluation of each of the eligibility criteria. The Job Aids were distributed among the directors and supervisors with explicit instructions to disseminate the information to the caseworkers. The implementation of these instructions has been monitored by our quality control unit.
  - c. Furthermore, the program realized that the eligibility policies and procedures needed to be revised and a new eligibility procedure manual was approved and published on April 1, 2023.
  - d. The Program had procedures in place to manage and avoid, assigning more than one MPI to the same beneficiary but these were not integrated. Therefore, the Program has created a new policy updating the procedures and integrating them in one document. See Attachment 4.
3. Establish policies and procedures with ASES to ensure ASES recovers unallowable payments made on behalf of enrollees assigned more than one Id number.



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PRMP concurs in part with the recommendation. As stated previously, PRMP and ASES had established procedures to identify and manage the situations in which more than one MPI had been assigned to one beneficiary. For example, since January 2021 ASES had a Standard Operating Procedure (SOP) to manage the recovery of duplicate premium payments for PRMP beneficiaries. See Attachment 5.

However, the findings in this report have prompted a better coordinated effort to ensure that the procedures in PRMP and ASES match one another.

Corrective Action Plan:

1. ASES will finalize SOP revisions to manage the recovery of duplicate premium payments. PRMP expects to receive this new approved SOP within the next 30 days.
2. PRMP will develop and conduct training for its policies and procedures by December 2023 (See Attachment 4).
3. PRMP will commence evaluate training outcome by March 2024.
4. Once the evaluation is completed, revisions will be implemented as identified in the revision period.

Thank you for your attention to this matter. Please, do not hesitate to contact us if you have any questions or require additional information.

Sincerely,

Dinorah Collazo Ortiz, Esq.  
Executive Director  
Puerto Rico Medicaid Program  
Puerto Rico Department of Health

**APPENDIX F: DEPARTMENT OF HEALTH COMMENTS (AUGUST 30, 2023)**



**DEPARTAMENTO DE SALUD**  
PROGRAMA MEDICAID

Wednesday, August 30, 2023

**PRMP Clarification – File request: A-02-21-01004 Auditee PRMP Response**

We apologize, three of the cases in OIG’s report do correspond to beneficiaries with more than one MPI. Please see below the validation about these MPIs:

NAME	OLD MPI	CANCELATION DATE	PROCESS DATE	CURRENT MPI
[REDACTED]	[REDACTED]	06/30/2019	11/30/2022	[REDACTED]
[REDACTED]	[REDACTED]	06/30/2019	11/30/2022	[REDACTED]
[REDACTED]	[REDACTED]	08/31/2018	08/30/2023	[REDACTED]

\*Process Date is the date when ASES received the cancellation.

Regards,

Dinorah Collazo-Ortiz, Esq., CHC | Program Executive Director  
Puerto Rico Medicaid Program  
Puerto Rico Department of Health  
T: (787)765-2929, [REDACTED]



PO Box 70184, San Juan, PR 00936-8184

787-765-2929 Ext. 6700

[www.salud.gov.pr/medicaid](http://www.salud.gov.pr/medicaid)

**OIG Note:** The deleted text has been redacted because it is personally identifiable information.