

## 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 ASSES) 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 ASSES 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 ASSES to ensure ASSES 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 ASSES 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 ASSES 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.