

Report in Brief

Date: March 2020

Report No. A-04-18-07080

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



Why OIG Did This Audit

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

Our objective was to determine whether the Agency for Health Care Administration (Florida) made unallowable capitation payments on behalf of beneficiaries who were assigned multiple Medicaid ID numbers.

How OIG Did This Audit

Our audit covered approximately \$43.2 billion in Medicaid capitation payments made to MCOs on behalf of Medicaid beneficiaries in Florida from July 1, 2014, through June 30, 2017. From the 2,603 beneficiary matches (multiple Medicaid ID numbers assigned to what appears to be a single individual) that we identified as being associated with payments totaling approximately \$16.8 million (\$10.2 million Federal share) for which Florida claimed Federal reimbursement, we selected and reviewed a stratified random sample of 100.

Florida Made Almost \$4 Million in Unallowable Capitation Payments for Beneficiaries Assigned Multiple Medicaid ID Numbers

What OIG Found

Florida made unallowable capitation payments on behalf of beneficiaries who were assigned multiple Medicaid ID numbers. Of the 100 beneficiary matches in our sample, Florida correctly made capitation payments on behalf of 1. However, it incorrectly made capitation payments that totaled \$383,487 (\$232,520 Federal share) on behalf of the remaining 99.

According to Florida, the unallowable capitation payments made on behalf of beneficiaries who were assigned multiple Medicaid ID numbers occurred because it needed a significantly more complex matching algorithm than the one that it already had in place to identify beneficiary matches that existed in its system. For example, the name matching criteria were not strong enough to detect or prevent the additional Medicaid ID numbers for those beneficiaries with existing Medicaid ID numbers. Furthermore, Florida stated that newborn Medicaid ID numbers were duplicated when the demographic information used to update Department of Children and Families' FLORIDA system for newborns was different from the demographic information (supplied by a provider or an MCO). Florida used this information to initially activate the newborns' records in the Florida Medicaid Management Information System.

On the basis of our sample results, we estimated that Florida made unallowable capitation payments totaling at least \$6.5 million (\$3.9 million Federal share) on behalf of beneficiaries with multiple Medicaid ID numbers during our audit period.

What OIG Recommends and Florida Comments

We recommend that Florida: (1) refund to the Federal Government approximately \$3.9 million (Federal share) in unallowable payments, (2) review capitation payments that fell outside of our audit period and refund any unallowable payments, and (3) modify its current methodology to identify beneficiaries with multiple Medicaid ID numbers.

Florida agreed with our findings and recommendations and outlined the corrective actions that it was taking.