

## Report in Brief

Date: September 2023

Report No. A-06-21-09002

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



### Why OIG Did This Audit

The COVID-19 pandemic was declared a nationwide Public Health Emergency (PHE) in January 2020. In March 2020, Congress enacted the Families First Coronavirus Response Act (FFCRA), which provided States with a temporary increase of 6.2 percentage points to their regular Federal medical assistance percentage (FMAP) rates. To qualify, States must meet certain FFCRA requirements. The increased COVID-19 FMAP became effective January 1, 2020, and extends through December 31, 2023. The amount of the FMAP increase began phasing down April 1, 2023.

Our objective was to determine whether selected States met the requirements to receive the increased COVID-19 FMAP.

### How OIG Did This Audit

We selected four States (New York, Florida, Texas, and Minnesota) for review. These States received an additional \$12.8 billion in FMAP funding during our audit period (January 1, 2020, through June 30, 2021). For each State, we (1) reviewed the PHE eligibility policies and procedures; (2) obtained and compared a list of Medicaid enrollees on March 18, 2020, and June 30, 2021; (3) analyzed enrollee terminations; (4) analyzed cost-sharing related to COVID-19 testing, services, or treatment; and (5) reviewed premiums to verify that the States met FFCRA requirements.

## Four States Reviewed Received Increased Medicaid COVID-19 Funding Even Though They Terminated Some Enrollees' Coverage for Unallowable or Potentially Unallowable Reasons

### What OIG Found

The four States we reviewed did not meet all of the requirements to receive the increased COVID-19 FMAP. All four States terminated Medicaid enrollees' coverage for unallowable or potentially unallowable reasons. Two States (Texas and Minnesota) terminated Medicaid coverage for 26,915 total enrollees for unallowable reasons, and three States (New York, Florida, and Minnesota) terminated Medicaid coverage for 220,113 total enrollees for potentially unallowable reasons due to a lack of support or documentation.

Additionally, Minnesota may have inappropriately charged some enrollees cost-sharing for COVID-19 testing, services, and treatment. Minnesota could not determine whether Medicaid enrollees were responsible for any cost-sharing, and enrollees may have been charged up to \$951,202 for COVID-19-related testing, services, and treatment.

### What OIG Recommends and CMS Comments

We recommend that CMS (1) work with the four States to determine what amount, if any, of the funding they received because of the increased COVID-19 FMAP should be refunded to the Federal Government; and (2) work with Minnesota to determine whether Medicaid enrollees were responsible for any cost-sharing for COVID-19 testing, services, or treatments and, if any cost-sharing is identified, work with Minnesota to ensure that enrollees are reimbursed for any out-of-pocket expenses incurred.

In written comments on our draft report, CMS concurred with both of our recommendations and described actions that it planned to take to address our recommendations. Specifically, CMS stated it will work with the States to determine what amount, if any, of the funding the States received because of the increased COVID-19 FMAP should be refunded to the Federal Government. CMS also stated that it will work with Minnesota to determine whether the State improperly imposed any cost-sharing for COVID-19 testing, services, or treatments and, if so, determine the appropriate remedy. CMS also provided technical comments on our draft report.