

Report in Brief

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Report No. A-07-22-03253

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



Why OIG Did This Audit

Targeted Case Management (TCM) services assist specific State-designated Medicaid groups in gaining access to medical, social, educational, and other types of services. Previous OIG audits found that some States did not always claim Federal Medicaid reimbursement for TCM services in accordance with Federal and State requirements. Our objective was to determine whether Alabama claimed Federal Medicaid reimbursement for TCM services during Federal fiscal years (FYs) 2019 through 2021 in accordance with Federal and State requirements.

How OIG Did This Audit

Our audit covered \$123.4 million (\$95.2 million Federal share) in Medicaid payments for TCM services provided and paid for in Alabama during FYs 2019 through 2021 (October 1, 2018, through September 30, 2021).

We reviewed documentation for a stratified random sample of 150 unique TCM grouped line items from the 5 largest target groups in the State to determine whether the services provided were allowable, case managers providing services were qualified, and enrollees receiving services were eligible. We reviewed payment rates to determine whether they matched the approved rates for the period. We compared TCM documentation provided by Alabama to applicable Federal regulations and the State plan supplements governing Alabama's TCM program.

Alabama Claimed Federal Medicaid Reimbursement for Millions of Dollars in Targeted Case Management Services That Did Not Comply With Federal and State Requirements

What OIG Found

Alabama did not always claim Federal Medicaid reimbursement for TCM services during FYs 2019 through 2021 in accordance with Federal and State requirements. Of the 150 sampled grouped line items, 24 grouped line items were at least partially unallowable because they had at least 1 error related to unallowable services, case managers lacking required qualification documentation, unsupported services, or ineligible enrollees. Alabama had policies and procedures in place for the administration of TCM services in the State but did not follow them. As a result, providers billed the State (and received payment) for some unallowable TCM services. Based on our sample results, we estimated that Alabama claimed at least \$6.4 million (\$5 million Federal share) in unallowable Medicaid reimbursement for TCM services.

What OIG Recommends and Alabama Comments

We recommend that Alabama refund to the Federal Government the more than \$5 million (Federal share) in overpayments; and that it improve TCM program oversight by giving additional guidance to TCM providers regarding: billing of services, to verify that they are allowable and non-duplicative; case manager hiring practices, to verify adherence with the State plan's qualification requirements; target group eligibility screening processes, so that only eligible individuals receive TCM services; and the maintenance of supporting documentation for billed services.

Our draft report had identified 33 sampled group line items with errors. Alabama did not directly agree or disagree with our first recommendation but provided additional documentation that aimed to address 18 of the errors that our draft report had identified. In addition, Alabama identified steps it had taken or planned to take to avoid these errors in the future, including a stronger quality assurance protocol, a new electronic record system, and increased technical assistance to, and training of, providers.

After reviewing Alabama's comments and the additional documentation it provided, we revised, for this final report, the number of errors we identified from 33 to 24 sampled grouped line items. Accordingly, we revised our statistical estimate and the dollar amount conveyed in our first recommendation. We maintain that our findings and recommendations, as revised, are valid.