

Report in Brief

Date: August 2020

Report No. A-05-18-00043

U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES

OFFICE OF INSPECTOR GENERAL



Why OIG Did This Audit

The Medicaid program pays for nonemergency medical transportation (NEMT) services that a State determines to be necessary for beneficiaries to obtain care. Prior OIG audit reports have consistently identified NEMT services as vulnerable to fraud, waste, and abuse.

Our objective was to determine whether Indiana claimed Federal Medicaid reimbursement for NEMT service claims in accordance with Federal and State requirements.

How OIG Did This Audit

We reviewed Indiana's monitoring and oversight of its NEMT program, including compliance with Federal and State requirements for verifying that (1) beneficiaries received a Medicaid-eligible service performed on the NEMT date of service, (2) transportation provider qualifications met State regulations, (3) vehicles complied with State regulations, (4) transportation providers and the State agency maintained adequate documentation (e.g., certificates, provider agreements, prior authorizations, insurance information) to support all provisions of the NEMT program, and (5) NEMT transportation providers retained all appropriate records to support services billed to Medicaid. We reviewed a stratified random sample of 120 claims, totaling \$12,573, from 920,338 claims paid between January 2016 and December 2017 totaling \$52.4 million.

Indiana Paid \$3.5 Million for Medicaid Nonemergency Medical Transport Claims That Did Not Comply With Federal and State Requirements

What OIG Found

Indiana claimed Federal Medicaid reimbursement for 18 of 120 sampled claims submitted by transportation providers that did not comply with Federal and State requirements.

On the basis of our sample results, we estimated that at least 113,086 Medicaid claims, totaling \$3.5 million (Federal share), did not comply with Federal and State regulations. The claims for unallowable services were made because Indiana's monitoring and oversight of the Medicaid program did not ensure that providers complied with Federal and State requirements for documenting and claiming NEMT services.

After our audit period, Indiana took additional steps to increase the oversight and monitoring of the NEMT program by contracting with a broker to administer the NEMT program.

What OIG Recommends and State Agency Comments

We recommend that the State agency (1) refund \$3.5 million to the Federal Government and (2) require its broker to have procedures in place to strengthen the monitoring and oversight of the NEMT program to ensure that providers document all services in accordance with Federal and State requirements and maintain the correct documentation to support the services provided and provider qualifications.

In written comments on our draft report, the State agency disagreed with our findings but did not indicate concurrence or nonconcurrence with our recommendations. The State agency stated that the services questioned in the audit were provided as allowable Medicaid services and that all documentation requested from the State to support sampled claims was provided to us. The State agency stated that a broker had taken over the State's NEMT program before the audit began and that the providers that were missing documentation were no longer enrolled in the Medicaid program. The State agency stated that it is attempting to gather the missing documentation and requested that we reevaluate the calculation of the repayment amount.

After reviewing the State agency's comments, we maintain that our findings and recommendations are correct. We also maintain that our calculation of the repayment amount is valid.