

Congress of the United States

House of Representatives

COMMITTEE ON OVERSIGHT AND ACCOUNTABILITY

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April 12, 2023

The Honorable Gene L. Dodaro
Comptroller General of the United States
U.S. Government Accountability Office
441 G St. N.W.
Washington, D.C. 20548

Dear Comptroller General Dodaro:

We are writing to request the Government Accountability Office (GAO) initiate a review of improper payments in the Medicaid program. GAO has previously made more than 750 recommendations and designated Medicare and Medicaid programs as a “high risk area” since 1990 due to high rates of improper payments.¹ The size and complexity of the Medicaid program make it vulnerable to improper payments. Improper payments totaled an estimated \$98.7 billion in fiscal year 2021, more than one of every five Medicaid expenditures were improper.² The Committee is continuing our larger oversight of Centers for Medicare and Medicaid Services (CMS) due to unresolved concerns about billions of dollars in wasted taxpayer funds each year.³

State auditors play an important role in overseeing state Medicaid programs by conducting statewide single audits and Medicaid performance audits. Through these efforts, state auditors have identified significant weaknesses in the processes state Medicaid agencies use to identify or prevent these payments resulting in rampant improper payments. CMS is responsible for overseeing the resolution of single audit findings related to the Medicaid program but has failed to adequately address many of these findings. The agency has pledged to more closely collaborate with state auditors to improve fiscal accountability for Medicaid expenditures, including by following-up on single audits, however Republicans are concerned with the lack of improvement to Medicaid’s fiscal responsibility.

¹ *Medicare Program & Improper Payments*, U.S. Gov’t Accountability Office, available at <https://www.gao.gov/highrisk/medicare-program-improper-payments>.

² U.S. Dep’t of Health and Human Servs., *Agency Financial Report: Fiscal Year 2021* (Nov. 12, 2021), available at www.hhs.gov/afr.

³ See Letter from James Comer, Ranking Member, H. Comm. on Oversight & Reform & Rodney Davis, Ranking Member, H. Comm. on Admin., to Alex Padilla, Cal. Sec. of State, (Sept. 16, 2020); See also Letter from James Comer, et. al., Ranking Member, H. Comm. on Oversight & Reform, to Carolyn Maloney, Chairwoman, H. Comm. on Oversight & Reform, (Jun. 17, 2021); See also Letter from James Comer et. al., Ranking Member, H. Comm. on Oversight & Reform, to Chiquita Brooks-LaSure, Adm’r, Ctr. for Medicare & Medicaid Servs. (Aug. 17, 2021); See also Letter from James Comer, et. al., Ranking Member, H. Comm. on Oversight & Reform, to Chiquita Brooks-LaSure, Adm’r, Ctr. for Medicare & Medicaid Servs. (Apr. 13, 2022).

During the COVID-19 pandemic, the Medicaid program suspended enforcement of eligibility reviews, resulting in millions of people receiving Medicaid benefits for which they were not eligible.⁴ While the suspension was important to increase state's ability to address the COVID-19 pandemic, according to GAO, the lack of eligibility determination audits will likely increase improper payments due to the lack of oversight.⁵ These eligibility expansions further prevented states from removing ineligible enrollees, compounding existing improper payment abuses.⁶

Despite numerous attempts by congressional Republicans to conduct oversight of CMS and the Medicaid program, the agency has failed to take the necessary steps to monitor state Medicaid programs and recoup improper payments. More information is needed about state-level variation in Medicaid improper payments and recoupment rates to understand the root of these problems. In order for us to conduct oversight of rampant waste in the Medicaid program, it is vital that GAO initiate a study of CMS' plans to improve monitoring of state Medicaid eligibility and recoup improper payments.⁷

Given concerns about fiscal oversight of Medicaid, we request that GAO conduct a review of ways CMS and state auditors could coordinate to improve Medicaid program integrity and prevent improper payments. Specifically, we ask GAO to examine:

1. The types of audits and associated findings state auditors have produced related to their state Medicaid programs;
2. Factors that facilitate and limit state auditors' ability to conduct Medicaid audits, and any steps CMS or other federal agencies could take to help address any limitations; and
3. How states and CMS use state auditor Medicaid findings; and what additional steps, if any, could CMS take to use these findings to improve Medicaid oversight.

In examining these topics, to the extent practical, we ask that GAO include information on states' methods for recouping improper payments identified through state auditor findings and potential options for CMS to improve upon these methods.

To ask any follow-up or related questions, please contact the Committee on Oversight and Accountability staff at (202) 225-5074. The Committee on Oversight and Accountability is the principal oversight committee of the U.S. House of Representatives and has broad authority to investigate "any matter" at "any time" under House Rule X. Thank you in advance for cooperating with this inquiry.

⁴ Amy Goldstein, *Millions of vulnerable Americans likely to fall off Medicaid once the federal public health emergency ends*, WASH. POST, (Mar. 14, 2022).

⁵ Carolyn Yocom, *Strengthening Medicaid Program Integrity*, Gov't Accountability Office, (2021), available at <https://www.gao.gov/highrisk/strengthening-medicaid-program-integrity>.

⁶ Hayden Dublois & Johnathan Ingram, *Ineligible Medicaid Enrollees Are Costing Taxpayers Billions*, Found. for Gov't Accountability (Jan. 23, 2022).

⁷ *Supra*, n. 1.

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Sincerely,

A handwritten signature in black ink that reads "James Comer". The signature is written in a cursive, flowing style.

James Comer
Chairman
Committee on Oversight and Accountability

cc: The Honorable Jamie B. Raskin, Ranking Member
Committee on Oversight and Accountability