

GAO Highlights

Highlights of [GAO-17-598T](#), a testimony before the Subcommittee on Oversight and Investigations, Committee on Energy and Commerce, House of Representatives

Why GAO Did This Study

Medicaid, a joint federal-state health care program, provides long-term services and supports for disabled and aged individuals, increasingly in home and community settings. Federal and state Medicaid spending on home- and community-based services was about \$80 billion in 2014. Personal care services are a key component of this care. States can offer personal care services through many different types of programs, and each may be subject to different federal requirements established by statute, regulations, and guidance. The provision of personal care in beneficiaries' homes can pose safety risks, and these services have a high and growing rate of improper payments, including cases where services for which the state was billed were not provided. In recent years Congress has directed HHS to improve coordination of these programs which could harmonize requirements--that is, implement a more consistent administration of policies and procedures--and enhance oversight.

This statement highlights key issues regarding (1) the federal program requirements to protect beneficiaries' safety and ensure that billed services are provided, and (2) the usefulness of data collected by CMS for oversight. This testimony is based on reports GAO issued in 2016 and 2017. For these reports, GAO assessed CMS data on personal care services provided to beneficiaries and state spending. GAO also reviewed federal statutes, regulations, and guidance, and interviewed CMS officials.

View [GAO-17-598T](#). For more information, contact Katherine M. Iritani at (202) 512-7114 or iritanik@gao.gov.

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MEDICAID PERSONAL CARE SERVICES

More Harmonized Program Requirements and Better Data Are Needed

What GAO Found

In its November 2016 report, GAO found a patchwork of federal requirements related to how states must protect the safety of beneficiaries in their personal care services programs and to how states ensure that billed services are actually provided. Personal care services help beneficiaries with basic activities of daily living such as bathing and dressing, in a home- or community-based setting. For two types of programs under which personal care services can be offered, states must describe to the Centers for Medicare & Medicaid Services (CMS) how they will ensure the health and welfare of beneficiaries. Similar requirements were not in place for several other programs GAO examined. In addition, for some but not all personal care services programs that GAO reviewed, states must provide evidence to CMS that the state is paying claims for services that have actually been provided. These differing federal program requirements result in uneven beneficiary safeguards and levels of assurances regarding states' beneficiary protections and oversight of billed services. GAO recommended that CMS take steps to harmonize and achieve a more consistent application of federal requirements across programs. CMS agreed with GAO's recommendation and sought input on how to do so by publishing a request for information.

In its January 2017 report, GAO found limitations in the data that CMS collects to monitor the provision of personal care services and to monitor state spending on services. For example:

- **Data on personal care services provided were often not timely, complete or consistent.** The most recent data available during GAO's review (2016) were for 2012 and included data for only 35 states. Further, 15 percent of claims lacked provider identification numbers and 34 percent lacked information on the quantity of services provided. Data were also inconsistent as more than 400 different procedure codes were used by states to identify personal care services. Without timely, complete, and consistent data, CMS is unable to effectively oversee state programs and verify who is providing personal care services or the type, amount, and dates of services provided.
- **Data on states' spending on CMS's expenditure reports, the basis for states' receipt of federal matching funds, were not always accurate or complete.** From 2012 through 2015, 17 percent of expenditure lines were not reported correctly by states, according to GAO's analysis. Nearly two-thirds of these errors were due to states not separately identifying personal care services expenditures, as required by CMS, from other types of expenditures. Inaccurate and incomplete data limit CMS's ability to, among other oversight functions, ensure federal matching funds are appropriate.

GAO made several recommendations to improve the data CMS collects to monitor the provision of and expenditures on personal care services. CMS agreed with some but not all of these recommendations.