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United States Senate

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December 20, 2018

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

Dear Comptroller General Dodaro:

Over the last decade, Medicaid expenditures and enrollment have increased by more than 50 percent. In fiscal year 2017, Medicaid covered an estimated 74 million individuals at a cost of about \$600 billion, including about \$370 billion in federal spending.¹

A recent report from the Government Accountability Office (GAO) raises concerns about federal oversight of that spending, finding that the Centers for Medicare & Medicaid Services (CMS) is not effectively targeting efforts to the areas of greatest risk. The GAO report notes that CMS has cancelled a number of planned reviews of state expenditures, known as “financial management reviews,” and that others are experiencing delays attributed to resource constraints.²

Financial management reviews provide an in-depth look at state expenditures in areas where CMS believes federal dollars are at risk and have the potential to identify large amounts of unallowable expenditures. As such, we would like GAO to examine CMS’s use of financial management reviews, including the following questions:

1. What issues have been identified through financial management reviews of state Medicaid programs, and how has CMS resolved those issues?
2. To what extent is CMS targeting financial management reviews to expenditures that pose the greatest risk of being unallowable?
3. What challenges, if any, does CMS face in using financial management reviews to conduct oversight?

¹ U.S. Gov’t Accountability Off., GAO-18-564, *Medicaid: CMS Needs to Better Target Risks to Improve Oversight of Expenditures* 1 (2018), <https://www.gao.gov/products/GAO-18-564>.

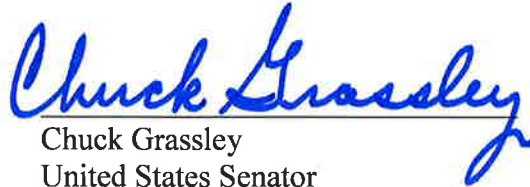
² *Id.* at 17-20, 31.

If you have any questions about this request, please have your staff contact Doug Sahmel or Greg D'Angelo of the Budget Committee at (202) 224-0642. Thank you for your attention to this matter, and I look forward to working with you.

Sincerely,



Michael B. Enzi
Chairman



Chuck Grassley
United States Senator



Patrick J. Toomey
United States Senator



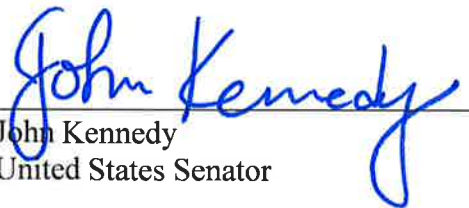
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