

GAO Highlights

Highlights of [GAO-17-169](#), a report to congressional requesters.

Why GAO Did This Study

A growing share of long-term care spending under Medicaid, a joint federal-state health care program, is for services provided in home and community settings. Medicaid spending on these services—about \$80 billion in 2014—now exceeds spending on institutional long term care. Personal care services are key components of long-term, in-home care, providing assistance with basic activities, such as bathing, dressing, and toileting, to millions of individuals seeking to retain their independence and to age in place. However, these services are also at high risk for improper payments, including fraud.

Given the expected increase in the demand for and spending on personal care services and risk of improper payments, GAO was asked to examine available data on personal care services and CMS's use of the data. This report: (1) describes the CMS systems that collect data on personal care services and what the data reveal, and (2) examines the extent to which data from these systems can be used for oversight. GAO reviewed information from two CMS data systems, reviewed relevant federal guidance and documents, and interviewed officials and researchers.

What GAO Recommends

GAO recommends that CMS improve personal care services data by: establishing standard reporting guidance for key data; ensuring linkage between data on the provision of services and reported expenditures; ensuring state compliance with reporting requirements; and developing plans to use data for oversight.

View [GAO-17-169](#). For more information, contact Katherine Iritani at (202) 512-7114 or iritanik@gao.gov.

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MEDICAID

CMS Needs Better Data to Monitor the Provision of and Spending on Personal Care Services

What GAO Found

Two data systems managed by the Centers for Medicare & Medicaid Services (CMS)—the federal agency that oversees Medicaid—collect information from states on the provision of and spending on personal care services:

- The Medicaid Statistical Information System (MSIS) collects detailed information from provider claims on services rendered to individual Medicaid beneficiaries and state payments for these services.
- The Medicaid Budget and Expenditure System (MBES) collects states' total aggregate Medicaid expenditures across 80 broad service categories.

Information from these two CMS data systems can be used in the aggregate to describe broadly the provision of and spending on Medicaid personal care services. For example, MBES data show that total fee-for-service spending on these services was at least \$15 billion in 2015—up \$2.3 billion from 2012.

However, the usefulness of the data collected from these two systems for CMS oversight is limited because of data gaps and errors. To provide effective oversight, including decision making, external reporting, and monitoring program operations, CMS needs timely, relevant and reliable data on personal care services rendered and the amount paid. GAO found that the data collected did not always meet these standards. For example:

- MSIS data were not timely, complete, or consistent. The most recent data available at the time of GAO's audit were for 2012 and only included data for 35 states. Further, 15 percent of claims lacked provider identification numbers, over 400 different procedure codes were used to identify the services, and the quantity and time periods varied widely. Without good data, CMS is unable to effectively monitor who is providing personal care services or the type, amount, and dates of services. CMS may also face challenges determining whether beneficiaries were eligible for services and assessing the reasonableness of the amount of services claimed.
- MBES data were not always accurate or complete. From 2012 through 2015, GAO found that 17 percent of expenditure lines were not reported correctly. Nearly two-thirds of these errors were due to states not separately identifying personal care services expenditures, as required by CMS. Inaccurate and incomplete reporting limits CMS's ability to ensure federal matching funds are provided consistent with states' approved programs.

CMS is developing a new Medicaid claims system to replace MSIS and recently established a new office to support CMS's use of Medicaid data for program management and monitoring. However, CMS has not issued guidance related to reporting of personal care services that addresses the gaps GAO identified, or developed plans to use the data for oversight purposes. Without improved data and plans for how it can be used for oversight, CMS could continue to lack critical information on personal care service expenditures.

HHS agreed with two of GAO's recommendations to ensure state compliance with reporting requirements and develop plans to use the data. HHS neither agreed nor disagreed with two others.