



State of Wisconsin
Department of Health Services

Tony Evers, Governor
Kirsten L. Johnson, Secretary

April 14, 2023

Senator Eric Wimberger
Co-Chair, Joint Legislative Audit Committee
P.O. Box 7882
Madison, WI 53707-5670

Representative Robert Wittke
Co-Chair, Joint Legislative Audit Committee
P.O. Box 8953
Madison, WI 53708-8953

Dear Senator Wimberger and Representative Wittke:

Thank you for your letter dated April 4, 2023, regarding circumstances in early 2021 when the Department of Health Services (DHS) both made a payment to the federal government and experienced a \$43 million reduction in its Medical Assistance (MA) award. The payment in question was for Medicare premiums for Wisconsin Medicaid members enrolled in Medicare. In your letter, you requested a status update of our recovery efforts from the federal government and outline of the steps DHS has taken to implement the Legislative Audit Bureau's (LAB's) recommendations.

DHS is recovering the overpayment from the federal government. DHS requested that the Centers for Medicare and Medicaid Services (CMS) recognize the \$43 million payment in addition to the grant award reduction. We received confirmation from CMS that it will reduce amounts owed by the entire amount of the overpayment on our next set of Medicare invoices, expected to be paid in April 2023. These invoice reductions will resolve the shortfall created by the \$43 million reduction to our award in federal fiscal year 2021. It is important to note that the invoice reductions will not change assumptions regarding GPR expenditure levels for MA in the 2021-23 biennium or the Governor's 2023-25 biennial budget.

In addition, DHS has already taken steps to implement LAB's recommendations and improve our reconciliation procedures. We have incorporated a review of Medicare invoices and grant award notices into our procedures. We are committed to improving our processes to prevent this type of circumstance in the future.

Please contact me if you have any additional questions about this matter.

Sincerely,

A handwritten signature in black ink that reads "Kirsten Johnson".

Kirsten L. Johnson
Secretary-designee