

DEPARTMENTAL GRANT APPEALS BOARD

Department of Health and Human Services

SUBJECT: Indiana Department of Public
Welfare
Board Docket No. 80-103-IN-HC
Decision No. 230

DATE: December 1, 1981

DECISION

Indiana appealed a disallowance of \$128,456 in Federal financial participation claimed under Title XIX (Medicaid) of the Social Security Act for certain administrative costs. The disallowance was originally taken by the Regional Commissioner of the Social and Rehabilitation Service (SRS), and was upheld by the Administrator of the Health Care Financing Administration after the Grantee had requested reconsideration under 45 CFR 201.14.

Our decision is based on the Grantee's application for review; the Agency's response to the application for review; the Record for Reconsideration (SRS Docket No. ME-IN-7501); and the Board's Order to Show Cause. The Board did not receive a response to the Order, and the Grantee's representative, in a telephone conversation on November 23, 1981, informed a Board staff member that the Grantee would not be responding to the Board's Order.

The Board's Order contained the tentative conclusions that the Grantee had incorrectly included administrative costs of fiscal agents in the distribution base for indirect costs, and that the Grantee had incorrectly computed office space costs.

Based on the analysis set forth in the Order to Show Cause, we sustain the disallowance of \$128,456 and incorporate that Order into this decision.

/s/ Norval D. (John) Settle

/s/ Donald F. Garrett

/s/ Cecilia Sparks Ford, Panel Chair