Deficit Reduction Act Compliance Audit For Federal Fiscal Year 2025

Office of Inspector General of Medicaid Services

Report Number A2026-01

July 6, 2026

Utah Office of
Inspector General

Nate Checketts
Inspector General

July 6, 2026

To: Utah Department of Health and Human Services

Please see the attached report, **Deficit Reduction Act Compliance Audit for Federal Fiscal Year 2025,** (Report A2026-01). An Executive Summary is included at the inception of this report. The objectives and scope of the audit are explained on page 5 of this report.

Sincerely,

Nate Checketts

Nate Checketts
Inspector General
Office of Inspector General of Medicaid Services

cc: J. Stuart Adams, President of the Utah Senate
Mike Schultz, Speaker of the Utah House of Representatives
Sen. Keven J. Stratton, Social Services Appropriations Subcommittee, Senate Chair
Rep. Raymond Ward, Social Services Appropriations Subcommittee, House Chair
Rep. Doug Fiefia, Social Services Appropriations Subcommittee, House Vice Chair
Jon Pierpont, Chief of Staff, Office of Governor Spencer Cox
Marvin Dodge, Commissioner, Department of Government Operations
Tracy Gruber, Commissioner, Utah Department of Health and Human Services (DHHS)
Tonya Hales, Deputy Commissioner, Healthcare Administration, DHHS
Julie Ewing, Division Director, Integrated Healthcare, DHHS
Brian Roach, Assistant Division Director, Integrated Healthcare, DHHS
Jason Stewart, Operations Director, Integrated Healthcare, DHHS
Aaron Eliason, Audit Liaison, Integrated Healthcare, DHHS
Randall Loveridge, Internal Audit Director, DHHS
Ivan Djambov, Legislative Fiscal Analyst, Finance Manager
Russell Frandsen, Legislative Fiscal Analyst, Finance Officer

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EXECUTIVE SUMMARY

Federal law contains provisions focused on the detection and prevention of fraud, waste, and abuse. Section 6032 (Employee Education About False Claims Recovery) of the Deficit Reduction Act of 2005 (DRA), codified as 42 U.S.C. § 1396a(a)(68), amended the Social Security Act to require entities that receive or make annual payments under the state Medicaid plan of at least $5 Million, establish written policies for all employees (including management and contractors) that provide the following detailed information:

- The False Claims Act;
- Administrative remedies for false claims and statements;
- State laws for civil and criminal penalties for false claims and statements;
- Whistleblower protections under these laws;
- Policies and procedures for detecting and preventing fraud, waste, and abuse; and,
- If the entity has established an Employee Handbook, the handbook must contain the same detailed information including the rights of the employees to be protected as whistleblowers.

State Medicaid programs were required to implement the DRA requirements by January 1, 2007. Utah Medicaid State Plan Section 4.42 and Attachment 4.42-A - Employee Education About False Claims Recoveries, describe how the Department will implement DRA requirements. (See Appendix A) The State Plan requires all entities subject to DRA requirements to verify ongoing compliance by attestation and annual audit. The Office of Inspector General of Medicaid Services (OIG) conducts ongoing compliance verification pursuant to the Memorandum of Understanding and Agreement for Services (MOU) between the Department and OIG (See Appendix D).

Audit Objectives:
Determine if entities that received or paid at least $5 Million of Medicaid funds during Federal Fiscal Year (FFY) 2025 complied with DRA and with Utah Medicaid State Plan 4.42 and 4.42-A (See Appendix A).

Audit Findings:
During FFY 2025, there were 102 entities that were identified as receiving or paying at least $5 Million in Medicaid funds. Overall, of the 102 entities, 77 entities attested to complying with DRA requirements or provided documentation of compliance. The remainder 25 entities were out of compliance and will receive a letter of non-compliance. the Department will be copied on all communications. Utah law allows the Department to withhold payments to a provider or contractor if they fail to comply with DRA requirements.

INTRODUCTION

BACKGROUND

Medicaid is a government health insurance program established by Title XIX of the Social Security Act and jointly funded by the federal government and the states. Participation in Medicaid is voluntary for states. Each state designs and administers its own Medicaid State Plan under federal law. States that participate in Medicaid must comply with all federally mandated requirements. The federal government pays a share of each state's Medicaid expenditure under an approved Medicaid state plan. The federal government's share is called the Federal Medical Assistance Percentage (FMAP).

At the federal level, the Centers for Medicare & Medicaid Services is responsible for regulation and oversight of Medicaid. Utah state law designates the Utah Department of Health and Human Services (Department) as the single state agency responsible for the administration of Utah's Medicaid program. Together, Utah and the federal government fund Utah's Medicaid program at a percentage rate determined by FMAP. Throughout this report, "Medicaid funds" refers to the federal and state taxpayer dollars used to fund Utah's Medicaid program.

Section 6032 of the Deficit Reduction Act of 2005 (DRA), codified as 42 U.S.C. § 1396a(a)(68), amended the Social Security Act and created the requirement for employee education on false claims, which became effective on January 1, 2007.

Since January 1, 2007, entities that receive or pay at least $5 Million of Medicaid funds annually under the Utah Medicaid State Plan (State Plan), or any waiver of the State Plan, are required to comply with DRA requirements. Entities that meet the $5 Million threshold are required to establish written policies for all employees (including management and contractors) that provide the following detailed information:

- The False Claims Act
- Administrative remedies for false claims and statements
- State laws for civil and criminal penalties for false claims and statements
- Whistleblower protections under these laws
- Policies and procedures for detecting and preventing fraud, waste, and abuse
- If the entity has established an Employee Handbook, the handbook must contain the same detailed information including the rights of the employees to be protected as whistleblowers.

Compliance Oversight: 3 Year Cycle

In Utah, compliance with DRA requirements follows a three-year cycle as defined by Section 4.42 and Attachment 4.42-A of the State Plan (See Appendix A). It includes requirements outlined in Section 1902(a)(68) of the Social Security Act as well as the methodology of compliance oversight and the frequency with which Utah will re-assess compliance on an ongoing basis. The State Plan dictates the following:

- All entities which receive or make payments under a State Plan approved under Title XIX or waiver totaling at least $5 Million annually must comply with section 6032 of the Deficit Reduction Act of 2005.
- DRA requirements should be incorporated into provider enrollment agreements.
- Upon initial compliance, a notice shall be sent to all entities requiring DRA compliance, including a compliance attestation that must be returned.
- For ongoing compliance, every third year a notice shall be sent to all entities, including a compliance attestation. Compliance verification must be received no later than June 30th.
- Each year, all new entities meeting the threshold will be required to attest they comply.
- An annual audit will be conducted by all entities to determine compliance with DRA by providing supporting documentation.
- If compliance is not met or an entity fails to return the attestation, appropriate action will be taken against the entity according to Program Integrity rules in effect at the time.

Roles and Responsibilities

In May 2023, the Department and OIG executed the MOU. Section 5.2, DRA Audits, delegates the oversight of DRA compliance to OIG (See Appendix D). Specifically, Section 5.2 outlines the following:

- Designates Utah Office of Inspector General of Medicaid Services to perform the compliance reviews and conduct audits to ensure contracted entities comply with DRA requirements as described in the State Plan, Section 4.42 and Attachment 4.42-A.
- OIG shall send written communication to providers found non-compliant indicating why the entity is out of compliance and the necessary action to resolve it, copying the Department on all communications.

- OIG shall notify the Department if an entity fails to take action to come into compliance by the end of the state fiscal year within 30 days after the end of the state fiscal year.

Utah Administrative Code R414-1-31 authorizes the Department to withhold payments for non-compliance with DRA requirements (See Appendix C).

FUNDING SOURCE

Utah's Medicaid program is jointly funded by the state of Utah and the federal government. The federal portion is determined annually by the FMAP, which ranges from a minimum of 50% to a maximum of 83%. The remainder is the responsibility of the state. The FMAP formula is designed so the federal government pays a larger portion, however, states can be incentivized or can be penalized for not meeting certain requirements. Utah's FMAP rate for FFY 2025 was 64.36%.

OBJECTIVES AND SCOPE

Audit Objective:

- Determine if entities that received or paid at least $5 Million of Medicaid funds during FFY 2025 complied with Section 6032 of the Deficit Reduction Act of 2005 and with Utah State Medicaid Plan 4.42 and 4.42-A.

Audit Scope:

- The scope of the audit covered FFY 2025 for entities that received or paid at least $5 Million of Medicaid funds under the Utah Medicaid State Plan, or any waiver of the State Plan.

METHODOLOGY

To achieve its audit objectives, OIG utilized two compliance verification methods defined in State Plan Attachment 4.42-A: compliance attestation and audit.

OIG conducted fieldwork from January 2026 through May 2026. The initial fieldwork included a comprehensive review of federal and state laws, the Utah Medicaid State Plan, the MOU, CMS guidance, Utah's Medicaid Provider Manual, Medicaid Information Bulletins, and both federal and Utah Medicaid websites.

Using data from the Medicaid Data Warehouse, OIG identified entities, by Tax Identification Number, that received or paid $5 Million or more in Medicaid funds during FFY 2025. This identified 102 entities.

All 102 entities were required to verify compliance by either an audit of their policies, procedures, and employee handbook or attesting through a Certificate of Compliance.

- Compliance Attestations: On March 26, 2026, OIG issued Notice Letters and Certificates of Compliance (See Appendix B) to 92 of these entities, requesting responses by April 26, 2026.
- Audits**:** For the annual compliance audit, OIG selected a 10% sample from the 102 identified entities that received or paid $5 Million or more in Medicaid funds during FFY 2025. OIG notified the 10 entities selected for audit, requesting copies of all written policies, procedures, and employee handbooks that support the entities' compliance with DRA requirements with a response deadline of April 26, 2026.

Entities were granted 45 days to submit either the Certificate of Compliance or the requested audit documentation. OIG conducted follow-up via courtesy phone calls or emails for any outstanding responses. OIG reviewed all Certificates of Compliance and documentation submitted to verify DRA compliance through June 5, 2026.

CONCLUSION

During FFY 2025, the first year of a three-year cycle under State Plan Attachment 4.42-A, OIG identified 102 entities that received or made payments of Medicaid funds of at least $5 Million.

OIG requested Certificates of Compliance from 92 of these entities. As of June 5, 2026, 76 returned a completed Certificate of Compliance, 16 either failed to respond or submitted a certificate that was blank or indicated the entity was out of compliance in one or more areas of DRA requirements.

Separately, 10 entities were selected for full DRA compliance audits. Among them, one failed to respond, and nine provided documentation. An evaluation of the nine submissions determined that only one entity was compliant and the remaining were out of compliance.

Entities out of compliance will be notified of non-compliance based on one of the following:

- Failed to respond;
- Provided a blank Certificate of Compliance;
- Provided an incomplete Certificate of Compliance;
- Provided a Certificate of Compliance indicating the entity was out of compliance in one or more areas; or
- Provided documentation for audit that did not meet compliance requirements.

FINDING 1	OIG Identified 25 Entities That Were Not Compliant with Section 6032 of the Deficit Reduction Act of 2005

Section 6032 of the Deficit Reduction Act of 2005 (DRA), codified as 42 U.S.C. § 1396a(a)(68), amended the Social Security Act and created the requirement for employee education on false claims, which became effective on January 1, 2007.

Entities that receive or pay at least $5 Million Medicaid funds annually under the Utah Medicaid State Plan, or any waiver of the State Plan, are required to comply with DRA requirements. Entities that meet the $5 Million threshold are required to establish written policies for all employees (including management and contractors) that provide the following detailed information:

- The False Claims Act;
- Administrative remedies for false claims and statements;
- State laws for civil and criminal penalties for false claims and statements;
- Whistleblower protections under these laws;
- Policies and procedures for detecting and preventing fraud, waste, and abuse; and,
- If the entity has established an Employee Handbook, the handbook must contain the same detailed information including the rights of the employees to be protected as whistleblowers.

During FFY 2025, OIG identified 102 entities as receiving or paying at least $5 Million in Medicaid funds. OIG sent Notice Letters to all 102 entities with a request to complete a Certificate of Compliance or provide all written policies, procedures and employee handbook, if one exists, that support the entities' compliance with DRA requirements. Of the 102 entities, 92 entities were required to provide a Certificate of Compliance and 10 were selected for annual audit.

Seventy-six entities returned a completed Certificate of Compliance that met DRA compliance. Sixteen entities were found non-compliant for either failing to respond, provided a blank or incomplete Certificate of Compliance, or provided a Certificate of Compliance indicating the entity was out of compliance in one or more areas with the requirements outlined in Section 6032 of the Deficit Reduction Act.

Of the entities selected for the annual audit, one entity did not respond and nine provided documentation for audit review. Specifically, they provided copies of their policies, procedures and employee handbooks, if one existed. One entity was found to be compliant in all areas required by DRA and 8 entities were out of compliance.

The following deficiencies were identified in the materials they provided:

1. Written policies that only reference employees and do not include management and contractors.
2. Lack of detailed information regarding the Federal False Claims Act and the administrative remedies.
3. Policies specific to Utah law and the penalties for false claims and statements.
4. Whistleblower rights and protections.
5. Employee Handbooks addressing each specific DRA requirement.
6. Outdated legal citations or references.

Compliance with DRA requirements is essential for preventing fraud, waste, and abuse and protecting Medicaid funds. A lack of compliance could lead to federal audit, CMS intervention, or the withholding of federal funds.

Utah Administrative Code R414-1-31 (See Appendix C) allows the Department to withhold payments to a provider or contractor. R414-1-31(1)(a) allows the withholding of payment for failing to provide requested information within 30 days and R414-1-31(2)(a) allows the withholding of payment if OIG determines a provider or contractor is not compliant with 42 U.S.C. 1396a(a)(68).

As agreed to with the Department, OIG will notify the 25 entities that they have 90 days to come into compliance. At the end of the 90 days, OIG will notify the Department of any entities still not compliant with DRA requirements.

Recommendation

1.1 OIG recommends that the Department withhold payments to the entities that remain out of compliance with DRA requirements, until they demonstrate compliance.

1.2 The Department should report any payments withheld to OIG for tracking purposes.

1.3 To clarify that OIG may determine non-compliance for deficient audit material in addition to attestation compliance, the Department should amend Utah Administrative Code R414-1-31(2)(a) (See Appendix C) to include criteria to allow a determination of non-compliance based on audit documentation.

OBSERVATION 1	Discrepancy in Entity Response Time

The Utah Office of Inspector General identified conflicting response deadlines between the State Plan and Utah Administrative Code.

Specifically, State Plan 4.42-A(2) (See Appendix A) grants entities 45 days from the notice date to return compliance attestations. However, Utah Administrative Code R414-1-31(1)(a) permits the Department to withhold payments if the provider fails to submit requested information within 30 calendar days (See Appendix C).

This 15-day discrepancy may create unnecessary confusion for both entities and Department staff.

Recommendations

1.1 The Department should reevaluate the language in Utah Administrative Code R414-1-31(1)(a) to align with the State Plan which outlines a 45-day response time for entities upon a request for documentation.

OBSERVATION 2	Update Medicaid Website to Include DRA Compliance Methodology

Utah Office of Inspector General noted that Medicaid's website (medicaid.utah.gov/dra-section6032) provides clear and detailed information regarding Section 6032 of the Deficit Reduction Act of 2005 and links to federal law. However, it does not provide a full description of Utah's approach and methodology to DRA compliance, specifically the three-year audit cycle and the penalties for non-compliance.

Recommendations

2.1 The Department should update Medicaid's website to include a description of Utah's DRA requirements as outlined in State Plan 4.42 and 4.42-A as well as information and a link to Utah Administrative Code R414-1-31 which details the potential penalty.

OBSERVATION 3	Inconsistent Terminology in Memorandum of Understanding (MOU) 5.2 - DRA Audits

The Memorandum of Understanding and Agreement for Services between the Utah Department of Health and Human Services and Utah Office of Inspector General of Medicaid Services, otherwise referred to as MOU (See Appendix D), dated May 10, 2023, contains inconsistent terminology when referring to entities. Section 5.2(A) refers to entities and providers, and Section 5.2(B) refers only to entities. The State Plan Sections 4.42 and 4.42-A (See Appendix A) only refer to entities when outlining DRA requirements.

Recommendation

3.1 In the next revision of MOU, the Department and OIG should align language in MOU 5.2 with the language in DRA regulations outlined in the State Plan 4.42 and 4.42-A by changing all references from ‘providers’ to ‘entities.’

OBSERVATION 4	Compliance and Audit Deadline Conflict

State Plans 4.42-A(3) and 4.42-A(5) both share a June 30th deadline, creating an operational conflict (See Appendix A). Compliance verification via attestation (State Plan 4.42-A(3)) must be received by each entity, subject to DRA requirements, no later than June 30th of that year and the DRA annual audit (State Plan 4.42-A(5)) must also be completed by June 30th each year. Auditors lack the necessary time to review and accurately report results, particularly for entities that achieve compliance late in June.

Resolving non-compliance can take time to implement as it could involve actions such as developing policy, revising existing policies, updating employee handbooks, and obtaining necessary approvals.

Recommendation

4.1 The Department and OIG should clarify language in the MOU 5.2(B) (See Appendix D) that the audit work must be complete by June 30th, but the reporting of the audit must be complete and communicated to the Department no later than 30 days after the end of the state fiscal year in which the entity was notified of non-compliance.

Appendix A: Utah Medicaid State Plan Section 4.42 and Attachment 4.42-A

Revision: HCFA-PM-92-2 (HSQB) Page 79y(1)
March 1992

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM

State: UTAH

SECTION 4 - GENERAL PROGRAM ADMINISTRATION (Continued)

Citation
1902(a)(68) of the Act, P.L. 109-171 (section 6032)

4.42 Employee Education About False Claims Recoveries

(a) The Medicaid agency meets the requirements regarding establishment of policies and procedures for the education of employees of entities covered by section 1902(a)(68) of the Social Security Act (the Act) regarding false claims recoveries and methodologies for oversight of entities' compliance with these requirements.

(1) Definitions.

(A) An "entity" includes a governmental agency, organization, unit, corporation, partnership, or other business arrangement (including any Medicaid managed care organization, irrespective of the form of business structure or arrangement by which it exists), whether for profit or not for profit, which receives or makes payments under a State Plan approved under Title XIX or under any waiver of such plan totaling at least $5,000,000 annually.

If an entity furnishes items or services at more than a single location or under more than one contractual or other payment arrangement, the provisions of section 1902(a)(68) apply if the aggregate payments to that entity meet the $5,000,000 annual threshold. This applies whether the entity submits claims for payments using one or more provider identification or tax identification numbers.

A governmental component providing Medicaid health care items or services for which Medicaid payments are made would qualify as an "entity" (e.g., a state mental

T.N. # 07-002 Approval Date 6-29-07

Supersedes T.N. # New Effective Date 1-1-07

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM

State: UTAH

SECTION 4 - GENERAL PROGRAM ADMINISTRATION (Continued)

Citation
1902(a)(68) of the Act, P.L. 109-171 (section 6032)

4.42 Employee Education About False Claims Recoveries (Continued)

health facility or school district providing school-based health services). A government agency which merely administers the Medicaid program, in whole or part (e.g., managing the claims processing system or determining beneficiary eligibility), is not, for these purposes, considered to be an entity.

An entity will have met the $5,000,000 annual threshold as of January 1, 2007, if it received or made payments in that amount in federal fiscal year 2006. Future determinations regarding an entity's responsibility stemming from the requirements of section 1902(a)(68) will be made by January 1 of each subsequent year, based upon the amount of payments an entity either received or made under the State Plan during the preceding federal fiscal year.

(B) An "employee" includes any officer or employee of the entity.

(C) "A contractor" or "agent" includes any contractor, subcontractor, agent, or other person which or who, on behalf of the entity, furnishes or otherwise authorizes the furnishing of Medicaid health care items or services, performs billing or coding functions, or is involved in the monitoring of health care provided by the entity.

(2) The entity must establish and disseminate written policies, which must also be adopted by its contractors or agents. Written policies may be on paper or in electronic form, but must be readily available to all employees, contractors, or agents. The entity need not create an employee handbook if none already exists.

T.N. # 07-002 Approval Date 6-29-07

Supersedes T.N. # New Effective Date 1-1-07

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM

State: UTAH

SECTION 4 - GENERAL PROGRAM ADMINISTRATION (Continued)

Citation
1902(a)(68) of the Act, P.L. 109-171 (section 6032)

4.42 Employee Education About False Claims Recoveries (Continued)

(3) An entity shall establish written policies for all employees (including management), and of any contractor or agent of the entity, that include detailed information about the False Claims Act and the other provisions named in section 1902(a)(68)(A). The entity shall include in those written policies detailed information about the entity's policies and procedures for detecting and preventing waste, fraud, and abuse. The entity shall also include in any employee handbook a specific discussion of the laws described in the written policies, the rights of employees to be protected as whistleblowers, and a specific discussion of the entity's policies and procedures for detecting and preventing fraud, waste, and abuse.

(4) The requirements of this law should be incorporated into each state's provider enrollment agreements.

(5) The State will implement this State Plan Amendment on January 1, 2007.

(b) ATTACHMENT 4.42-A describes, in accordance with section 1902(a)(68) of the Act, the methodology of compliance oversight and the frequency with which the State will re-assess compliance on an ongoing basis.

T.N. # 07-002
Supersedes T.N. # New

Approval Date 6-29-07
Effective Date 1-1-07

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM

State: UTAH

SECTION 4 - GENERAL PROGRAM ADMINISTRATION (Continued)

Citation
1902(a)(68) of the Act, P.L 109-171

(1) All entities covered under 4.42(A) must be in compliance with section 6032 of the Deficit Reduction Act of 2005.

(2) Initial Compliance: Upon approval of the State Plan Amendment, notice shall be sent to all entities as described in 4.42(A) requiring compliance with section 6032 of the DRA. The notice shall include a compliance attestation that must be returned to the Department within 45 days of the date of the notice.

(3) Ongoing compliance: At the end of the first calendar quarter of every third year after 2007, notice and compliance attestation will be sent to each entity as described in 4.42(A). Compliance verification must be received by each entity noted above no later than June 30 of that year.

(4) In between each third year, at the end of each first calendar quarter, a list of all entities will be checked and reviewed for all new entities meeting the requirements as noted in 4.42(A). Notice and compliance attestation will be sent as directed in #2 above.

(5) Annually, the Department will conduct a random audit of all entities to determine compliance with section 6032 of the DRA. The Department will use sampling methodology to make this determination and the audits will be completed by the end of the State Fiscal Year.

(6) If compliance is not met or there is a failure to return attestations within the stated time frame, appropriate action will be taken against the entity according to the current State and Department Program Integrity Rules in effect at the time notice was given to the entity.

T.N. # 07-002 Approval Date 6-29-07

Supersedes T.N. # New Effective Date 1-1-07

Appendix B: Notice Letter & Certificate of Compliance

Utah Office of
Inspector General
PO Box 143103
Salt Lake City, UT 84114-

Neil Erickson
Interim Inspector General

March 12, 2026

Entity
Attn: Compliance Officer
Address

Tax Identification No. _____ **NPI No.** _____

RE: Employee Education About False Claims Recovery – Federal Fiscal Year 2025 (October 1, 2024 – September 30, 2025)

Dear ENTITY

Section 6032 of the Deficit Reduction Act of 2005 (42 U.S.C. § 1396a(a)(68)), Section 1902(a)(68) of the Social Security Act, 42 C.F.R. Subpart H, and the Utah Medicaid State Plan Section 4.42 & Attachment 4.42-A under Title XIX of the Social Security Act Medical Assistance Program, administered by the Utah Department of Health and Human Services, requires any entity that receives or makes annual payments under the State Plan or a waiver of such plan of at least $5,000,000 shall establish written policies for all employees, contractors, or agents that provide the following information:

1. The False Claims Act
2. Administrative remedies for false claims
3. Any State laws pertaining to civil or criminal penalties for false claims and statements.
4. Whistleblower protections under the law
5. The entity's policies and procedures for detecting and preventing fraud, waste and abuse
6. Any employee handbook, if one exists, should outline the same, including the rights of employees to be protected as whistleblowers

Attached to this letter is a Certificate of Compliance and a copy of Section 4.42 & Attachment 4.42-A of the Utah Medicaid State Plan. Please certify that the above-named entity and each affiliated entity are complying with the requirements referenced above. Otherwise, please provide a written explanation addressing non-compliance. Failing to respond to this request **within 45 days of the date of this notice** is a violation of Utah Administrative Code R414-1-31 and may result in withholding Medicaid payments.

If you have any questions regarding this request, please contact the UOIG Auditor.

Cannon Health Building, 288 North 1460 West, Salt Lake City, Utah 84116 - Mailing: PO Box 143103 Salt Lake City, Utah 84114-3103
phone (801) 538-6532 · fraud hotline (855) 403-7283 · fax (801) 538-6382 · www.oig.utah.gov · social media @UtahOIG Revised 2/26

Utah Office of
Inspector General
PO Box 143103
Salt Lake City, UT 84114-

Neil Erickson
Interim Inspector General

Please be advised, any entity and its affiliated entities are subject to a random compliance audit.

Respectfully,

Auditor
Utah Office of Inspector General

Enclosure:
Certificate of Compliance
State Plan 4.42 and 4.42-A

Cannon Health Building, 288 North 1460 West, Salt Lake City, Utah 84116 · Mailing: PO Box 143103 Salt Lake City, Utah 84114-3103
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Utah Office of
Inspector General
PO Box 143103
Salt Lake City, UT 84114-

Neil Erickson
Interim Inspector General

CERTIFICATE OF COMPLIANCE

Employee Education About False Claims Recoveries (Fiscal Year 2025)

I hereby certify that the entity and all affiliated entities named below have established and distributed written policies and procedures to all employees (including management), contractors, and agents according to the requirements outlined in Section 6032 of the Deficit Reduction Act of 2005 (DRA), Section 1902(a)(68) of the Social Security Act, 42 C.F.R. Subpart H and Utah Medicaid State Plan Section 4.42 and Attachment 4.42-A under Title XIX of the Social Security Act Medical Assistance Program. Specifically, I certify the following written policies and procedures have been distributed to all employees, contractors, and agents:

Y	N	
☐	☐	Detailed information about the False Claims Act
☐	☐	Administrative remedies for false claims
☐	☐	Any State laws pertaining to civil or criminal penalties for false claims and statements
☐	☐	Whistleblower protections under the law
☐	☐	The entity's policies and procedures for detecting and preventing fraud, waste and abuse
☐	☐	Any employee handbook, if one exists, includes the rights of employees to be protected as whistleblowers

I certify I have read the above listed documents and they comply with DRA requirements, as stated in Section 1902(a)(68) of the Social Security Act and Section 4.42 & Attachment 4.42-A of the Utah Medicaid State Plan under Title XIX of the Social Security Act Medical Assistance Program and State law.

I understand that the entity and all affiliated entities listed below must continue to comply with these provisions of federal and state law to remain eligible for payment under the Utah Medicaid State Plan. I declare under criminal penalty under the law of Utah that the foregoing is true and correct.

All fields are required; incomplete certificates will be returned.

Provider/Entity Name (Please print): _____

Tax Identification Number(s):

NPI Numbers(s): _____

Cannon Health Building, 288 North 1460 West, Salt Lake City, Utah 84116 · Mailing: PO Box 143103 Salt Lake City, Utah 84114-3103
phone (801) 538-6532 · fraud hotline (855) 403-7283 · fax (801) 538-6382 · www.oig.utah.gov · social media @UtahOIG Revised 2/26

Utah Office of
Inspector General
PO Box 143103
Salt Lake City, UT 84114-
Neil Erickson
Interim Inspector General

CERTIFICATE OF COMPLIANCE (Page 2)

Employee Education About False Claims Recoveries (Fiscal Year 2025)

Provider/Entity Name (Please print):

List all other affiliated entities attesting to the requirements listed above:

_____

_____

_____

_____

Signed at _____ (city, and state or country).

_____ _____

Signature of authorized entity representative Date

_____

Print or type name and title

Send the completed form to the UOIG at:

Email:	**U.S. Postal Service:**	**UPS, FedEx, etc.:**
oigmedical@utah.gov	Utah Office of Inspector General Attn: DRA Compliance PO Box 143103 Salt Lake City, Utah 84114-3103	Utah Office of Inspector General Attn: DRA Compliance 288 North 1460 West Salt Lake City, Utah 84116-3231

Appendix C: Utah Administrative Code R414-1-31

R414-1-31. Withholding of Payments.
(1) In addition to other remedies allowed by law and unless specified otherwise, the Department may withhold
payments to a provider or contractor if:
(a) the provider or contractor fails to provide the requested information within 30 calendar days from the date of a
written request for information;
(b) the provider or contractor has an outstanding balance owing the Department for any reason; or
(c) the provider or contractor receives more than $5,000,000 in reimbursement annually from the Department and fails
to comply with 42 U.S.C. 1396a(a)(68).
(2) The Department or the Office of the Inspector General of Medicaid Services may determine a provider or
contractor to be noncompliant if the provider or contractor cannot submit, upon request:
(a) an attestation of compliance with the Social Security Act, 42 U.S.C. 1396a(a)(68); and
(b) an attestation of compliance with the False Claims Act, 31 U.S.C. Sections 3729 through 3733.
(3) The Department shall provide written notice before withholding payments.
(4) When the Department rescinds withholding of payments to a provider or contractor, it will, without notice, resume
payments according to the regular claims payment cycle.

Appendix D: Memorandum of Understanding (MOU) 5.2

5.2 DRA Audits

A. The UOIG shall perform compliance reviews and conduct audits to ensure entities contracted with the Division comply with the requirements of Section 6032 of the Deficit Reduction Act of 2005 as described in the State Plan, Section 4.42 and Attachment
4.42A. The OIG shall send written communication to providers found noncompliant. The communication shall indicate why the provider is out of compliance with Section 6032 and the necessary actions to resolve. The OIG will copy the Department on all communications.

B. The OIG shall notify the Department in writing if an entity fails to take the necessary actions to come into compliance by the end of the state fiscal year in which the entity was notified of noncompliance. The OIG shall send this notification to the Department no later than 30 days after the end of the state fiscal year in which the entity was notified of noncompliance.

GLOSSARY OF TERMS

Term	Description
Department	Utah Department of Health and Human Services
DRA	Section 6032 of the Deficit Reduction Act of 2005
FFY	Federal Fiscal Year (October 1st through September 30th)
FMAP	Federal Medical Assistance Percentage
MOU	Memorandum of Understanding and Agreement for Services (between the Department and OIG)
State Plan	Utah Medicaid State Plan
OIG	Utah Office of Inspector General

MANAGEMENT RESPONSE

State of Utah

SPENCER J. COX
Governor

DEIDRE M. HENDERSON
Lieutenant Governor

Department of Health & Human Services

TRACY S. GRUBER
Commissioner

STACEY BANK, MD
Executive Medical Director

TONYA HALES
Deputy Commissioner

DAVID LITVACK
Deputy Commissioner

NATE WINTERS
Deputy Commissioner

June 30, 2026

Nate Checketts
Inspector General
Office of Inspector General of Medicaid Services
P.O. Box 14103
Salt Lake City, Utah 84114

Dear Mr. Checketts:

Thank you for the opportunity to respond to the recommendations in the *Deficit Reduction Act Compliance Audit For Federal Fiscal Year 2025* (Report Number A2026-01). We would like to thank the Office of Inspector General of Medicaid Services for their review of Deficit Reduction Act Compliance and for their work with the DHHS staff.

On behalf of the department, we formally concur with the recommendations set forth in this report. We view these findings as an opportunity to strengthen our processes to ensure Medicaid providers are compliant with the Deficit Reduction Act. We are prepared to implement improvements within the timelines identified in the enclosed response.

Sincerely,

Tracy S. Gruber
Commissioner

State Headquarters: 195 North 1950 West, Salt Lake City, Utah 84116
telephone: 801-538-4001 | email: dhhs@utah.gov | web: dhhs.utah.gov

Recommendation 1.1 - OIG recommends that the Department withhold payments to the entities that remain out of compliance with DRA requirements, until they demonstrate compliance.

Department Response: DHHS concurs with this recommendation. DHHS notes that this is an existing requirement with which DHHS has always been in compliance. DHHS will continue to exercise its authority under Utah Administrative Code R414-1-31 to withhold Medicaid payments until full compliance is achieved. The OIG should notify DHHS of which entities remain not compliant after the 90 day period using the established provider hold process.

When: Within 7 days from OIG notification

Responsible Staff: Shandi Adamson, Office of Medicaid Operations Director

Recommendation 1.2 - The Department should report any payments withheld to OIG for tracking purposes.

Department Response: DHHS concurs with this recommendation. The Department and OIG should both use the established provider hold process to request and release payment holds. This will allow both parties to receive the notifications and document and track the status. DIH notes that our understanding of this finding does not require any changes to the existing process.

When: Within 7 days from OIG notification

Responsible Staff: Shandi Adamson, Office of Medicaid Operations Director

Recommendation 1.3 - To clarify that OIG may determine non-compliance for deficient audit material in addition to attestation compliance, the Department should amend Utah Administrative Code R414-1-31(2)(a) (See Appendix C) to include criteria to allow a determination of non-compliance based on audit documentation.

Department Response: DHHS concurs with this recommendation. DHHS will initiate the administrative rulemaking process to amend R414-1-31(2)(a). This amendment will clarify that non-compliance can be determined not only by a missing attestation but also by the failure of submission or the submission of deficient audit documentation.

When: December 31, 2026.

Responsible Staff: Jason Stewart, Medicaid Operations Director

Observation Recommendation 1.1 - The Department should reevaluate the language in Utah Administrative Code R414-1-31(1)(a) to align with the State Plan which outlines a 45-day response time for entities upon a request for documentation.

Department Response: DHHS concurs with this recommendation. DHHS will evaluate Utah Administrative Code R414-1-31(1)(a) to extend the response time from 30 days to 45 days, resolving the discrepancy with State Plan 4.42-A(2).

When: December 31, 2026

Responsible Staff: Jason Stewart, Medicaid Operations Director

Observation Recommendation 2.1 - The Department should update Medicaid's website to include a description of Utah's DRA requirements as outlined in State Plan 4.42 and 4.42-A as well as information and a link to Utah Administrative Code R414-1-31 which details the potential penalty.

Department Response: DHHS concurs with this recommendation. DHHS will update the Medicaid website (medicaid.utah.gov/dra-section6032) to feature the three-year audit cycle methodology outlined in State Plan 4.42 and 4.42-A, and provide a direct link to Utah Administrative Code R414-1-31.

When: December 31, 2026

Responsible Staff: Shandi Adamson, Office of Medicaid Operations Director

Observation Recommendation 3.1 - In the next revision of MOU, the Department and OIG should align language in MOU 5.2 with the language in DRA regulations outlined in the State Plan 4.42 and 4.42-A by changing all references from 'providers' to 'entities.'

Department Response: DHHS concurs with this recommendation. DHHS will collaborate with the OIG during the next revision of the Memorandum of Understanding and Agreement for Services to ensure uniform use of the term "entities" throughout Section 5.2.

When: December 31, 2026

Responsible Staff: Jason Stewart, Medicaid Operations Director

Observation Recommendation 4.1 - The Department and OIG should clarify language in the MOU 5.2(B) (See Appendix D) that the audit work must be complete by June 30th, but the reporting of the audit must be complete and communicated to the Department no later than 30 days after the end of the state fiscal year in which the entity was notified of non-compliance.

Department Response: DHHS concurs with this recommendation. DHHS will work with the OIG to amend MOU Section 5.2(B) to clearly delineate the June 30th deadline for audit completion from the subsequent 30-day post-fiscal-year reporting deadline.

When: December 31, 2026

Responsible Staff: Jason Stewart, Medicaid Operations Director

EVALUATION OF MANAGEMENT RESPONSE

OIG appreciates the response provided by the Department. The Department agreed with all recommendations. The Department specified the responsible parties and dates for implementation. OIG will review the action taken by the Department following the implementation dates.

UTAH OIG CONTACTS AND STAFF ACKNOWLEDGEMENT

OIG

Nate Checketts
Inspector General

OIG Report Team

Kadee Wright
Lead Auditor

Rachel Buchi, IAP, CFE, CPM
Audit Manager

UTAH OIG MISSION STATEMENT

The Utah Office of Inspector General of Medicaid Services will protect taxpayer dollars by identifying fraud, abuse and waste risks and vulnerabilities in the State Medicaid Program and by taking action to mitigate or eliminate those risks.

ADDRESS

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OTHER

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