UTAH OFFICE OF INSPECTOR GENERAL – MEDICAID SERVICES 2016 ANNUAL REPORT

10/19/2016

Inspector General – Medicaid Services

The Utah Office of Inspector General of Medicaid Services was established on July 1, 2011. The primary goal of the Office is to safeguard taxpayer assets through the reduction of fraud, waste, and abuse.

Utah Office of
Inspector General

Gene Cottrell
Inspector General

October 19, 2016

TO: Governor Gary R. Herbert, President Wayne L. Niederhauser, Speaker Gregory H. Hughes, and The Executive Appropriations Subcommittee

SUBJECT: 2016 Annual Report for the Utah Office of Inspector General – Medicaid Services (UOIG)

Attached is the Utah Office of Inspector General's 2016 annual report to the Governor and the Executive Appropriations Subcommittee, in compliance with *Utah Code 63A-13-502*. This report shows results for the Office for state fiscal year 2016. The UOIG was created to serve as an independent oversight agency for the Utah Medicaid Program and all Medicaid related spending. This report presents progress achieved in State Fiscal Year (SFY) 2016.

I am available to meet with members of the subcommittee to discuss any item contained in this report, and answer any questions regarding the ongoing efforts of this office to identify fraud, waste, and abuse of Medicaid funds and the recoupment of those funds.

Sincerely,

Gene D. Cottrell
Inspector General
Office of Inspector General of Medicaid Services

cc: Justin Harding
Mike Mower
Kristen Cox
Joseph Miner
Nathan Checketts
Jonathan C. Ball

Wayne L. Niederhauser, President
Gregory H. Hughes, Speaker
Health and Human Services Subcommittee
Executive Appropriations Subcommittee

DRIVING A MORE EFFICIENT STATE GOVERNMENT

2016 ANNUAL REPORT

Contents

Message from the Inspector General

Greetings,

As the Inspector General of the Utah Office of Inspector General – Medicaid Services (UOIG), it is my privilege to introduce the 2016 Annual Report. This year marks the sixth fiscal year of operations for the Office.

The Office is governed by Title 63A, Chapter 13 of the Utah Code, which established the UOIG as an independent entity within the Department of Administrative Services. The Office is also governed by Utah Administrative Code, Rule 30, which defines the scope and provisions necessary to administer the Office. The UOIG works diligently to provide the best oversight for the Utah Medicaid Program and all Medicaid related spending, while meeting both the letter and spirit of the Office's guiding principles and legislation.

During SFY16 the Office continued to build strong partnerships with Medicaid and all key stakeholders as we strive to reduce fraud, waste, and abuse within the Medicaid system. We strive to balance the divergent and sometimes competing interests of multiple stakeholders; and seek to achieve balanced, win-win solutions whenever possible.

The Office partners closely with Medicaid on their policy updates to ensure clarity and accuracy for Medicaid providers and consistency with existing policy. Annually, we partner with Medicaid to conduct Provider Training, in nearly all Utah counties. Training encourages provider participation in Utah's Medicaid program, while increasing awareness and transparency of Medicaid policies and UOIG compliance reviews. We work to develop relationships that will further the mission of the UOIG and add to the success of the Utah Medicaid program.

Traditionally the Office operated under two lines of business, Program Integrity (PI) and Audit. Program Integrity functions are outlined in 42 CFR sections 455 and 456. The UOIG conducts PI functions on behalf of the Department of Health. The PI function and the responsibilities of the Office were combined under one manager in the past. The Office recently underwent a change in structure to create a third line of business and now includes and Special Investigations and Inspections Unit (SIIU).

It remains my privilege to serve as Inspector General for the State of Utah. I would like to congratulate and thank our team for all their hard work and efforts that continue to exceed expectations in a difficult and ever changing operational environment. I also want to thank Governor Herbert and the Legislature for their ongoing support.

Sincerely,

Gene D Cottrell
Inspector General
Utah Office of Inspector General – Medicaid Services

Background

The Utah Office of Inspector General of Medicaid Services (UOIG or Office) was created in 2011 and began operations on July 1 of that year. The Office's duties are defined in Utah Code, Chapter 13-63A. The Office was created by dissolving two entities within the Utah Department of Health (UDOH), the Internal Audit Group and Medicaid's Bureau of Program Integrity.

When the Bureau of Program Integrity was dissolved the Division of Medicaid and Health Financing (DMHF or Division) was left without an entity to perform some program integrity (PI) functions, as outlined primarily in 42 CFR 455 and 456. The duties outlined in Utah Code and the PI functions identified in the Code of Federal Regulations were so similar that UDOH and the Office entered into a memorandum of understanding (MOU) that identified which of the federal tasks the UOIG would perform on behalf of the Division.

For the first five years of operation the Office consolidated many of the responsibilities outlined in State statue and those identified in the MOU under one manager. This arrangement left the office operating under two lines of business, PI and Audit, but failed to fulfill some of the tasks outlined in the statute. At the start of SFY 2017 the Inspector General split the PI section into two separate sections, PI and the Special Investigations and Inspections Unit (SIIU), effectively creating a third line of business. This new structure (see attachment A) allows the Office to focus adequately on all assigned tasks.

Additionally, at the start of SFY 2017 the Inspector General released the Office's SFY 2017 Strategic Plan and Operational Framework (see attachment B). This document outlines the Inspector General's strategy for accomplishing its mission and also provides the Office's employees with a general guideline for how cases are to be managed.

This report will highlight accomplishments achieved by the Office during SFY 2016 and will focus on three primary duties assigned to the Office in Utah Code 63A-13.

1. Determine ways to recover improperly paid Medicaid funds. Ref 63A-13-202(1)(m).
2. Determine ways to identify, prevent, and reduce fraud, waste, and abuse in the State Medicaid program. Ref 63A-13-202(1)(l)(i).
3. Refer potential criminal conduct, relating to Medicaid funds or the State Medicaid program, to the fraud unit. Ref 63A-13-202(1)(j)

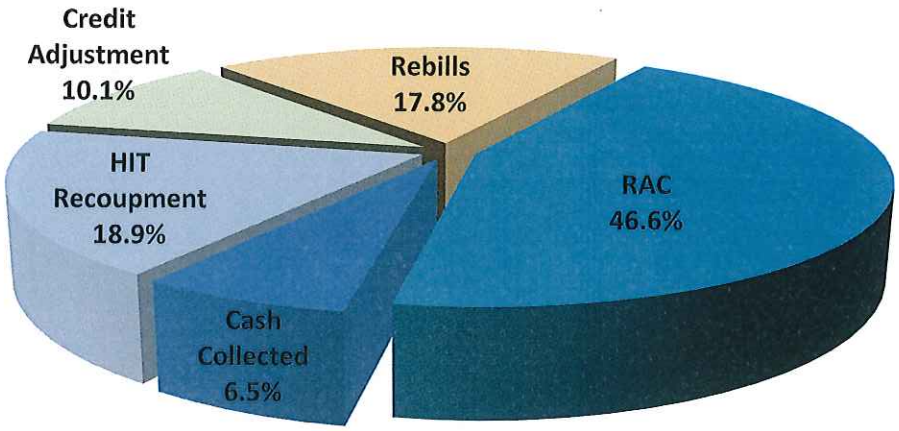
Recovery Operations

The Office conducts recovery of improperly paid Medicaid funds through a number of different processes. All recoveries start with a lead which is any referral the Office receives or scenario the Office identifies through data mining efforts.

During SFY 2016 the UOIG evaluated 503 leads. The Office evaluates each lead and determines the best course of action to address the lead. Courses of action include performance audits, investigations, inspections, self-audits, evaluations or reviews. Once a lead is evaluated cases are created to further develop the lead. Multiple cases are frequently opened from one lead since an issue may apply to numerous Medicaid providers. During the evaluation process the Office opened 1182 cases which resulted in the Office reviewing 3,150 individual Transaction Control Numbers (TCNs). There were approximately 4000 additional claims that did not require medical review but were evaluated as part of other investigations.

All work conducted by the UOIG resulted in $8,031,309 in recovered taxpayer funds. These dollar amounts represent totals and do not break-out state funds.

- The Recovery Audit Contractor (RAC), under operational control of the UOIG, collected $3,745,505 during SFY 2016.
- The UOIG collected $525,292 in cash collections.
- The UOIG initiated $807,674 in credit adjustments for claims that providers did not respond to either requests for records or notices of recovery.
- The UOIG requested that providers rebill claims totaling $1,432,634 to ensure those claims were paid correctly.
- Additionally, the UOIG recovered $1,520,204 in Health Information Technologies (HIT) incentive payments that were incorrectly paid. HIT funds are all federal funds.



SFY 2016 Collection $8,031,309[1]
ROI 307%

1. *UOIG transferred an additional $8,531,329, not reported in this chart, on behalf of the Medicaid Fraud Control Unit.*

Quality Control/Quality Assurance

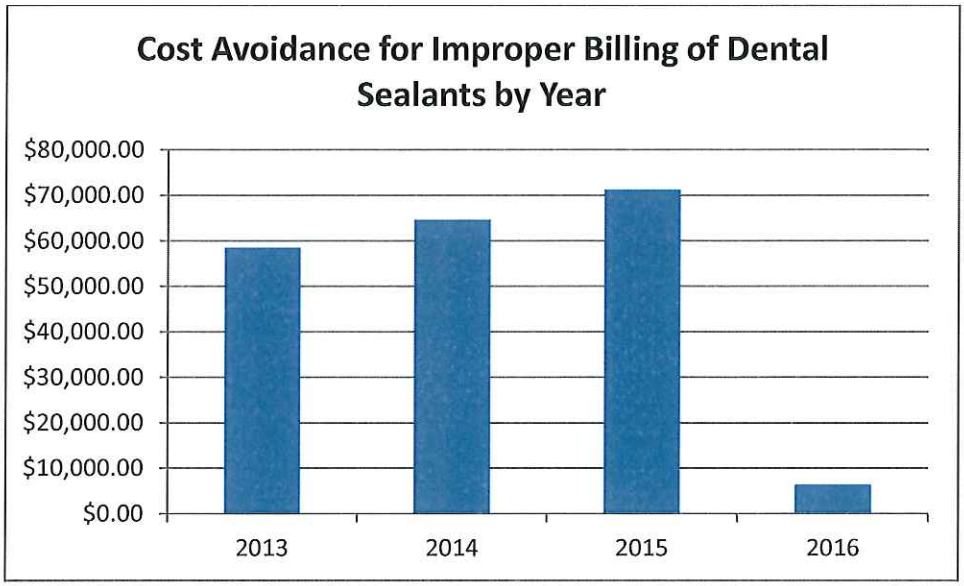
During SFY 2016 the UOIG initiated a quality control/quality assurance program that focuses on accurate data analysis, detailed policy reviews, and legal reviews of all leads prior to any investigation. The QC/QA program has improved the notices of recovery and reduced the number of hearings requested by providers.

Cost Avoidance

The UOIG is tasked with determining ways to identify, prevent, and reduce fraud, waste, and abuse in the State Medicaid program. During SFY 2016 Office Management monitored and is prepared to report cost avoidance measures for the first time since the creation of the Office. The UOIG management team determines cost avoidance by identifying an area of Medicaid that poses potential risk. The management team then determines the best strategy to employ when seeking to improve particular billing practices. Strategies the Office employs may include performance audits, investigations, inspections, self-audits, evaluations, training events, or medical record reviews. These strategies are referred to as sentinel events. Any of the strategies may result in the recovery of funds, but future cost avoidance can also be estimated by analyzing data prior to the sentinel event and at least three months after the event. The differences between the billing practices, prior to the sentinel event and after the sentinel event, are projected over a one-year span as the estimated cost avoidance.

The following examples demonstrate both cost avoidance and the impact of a sentinel effect, using cases on which the Office established a sentinel event.

CPT Code D1351: Dental Sealants

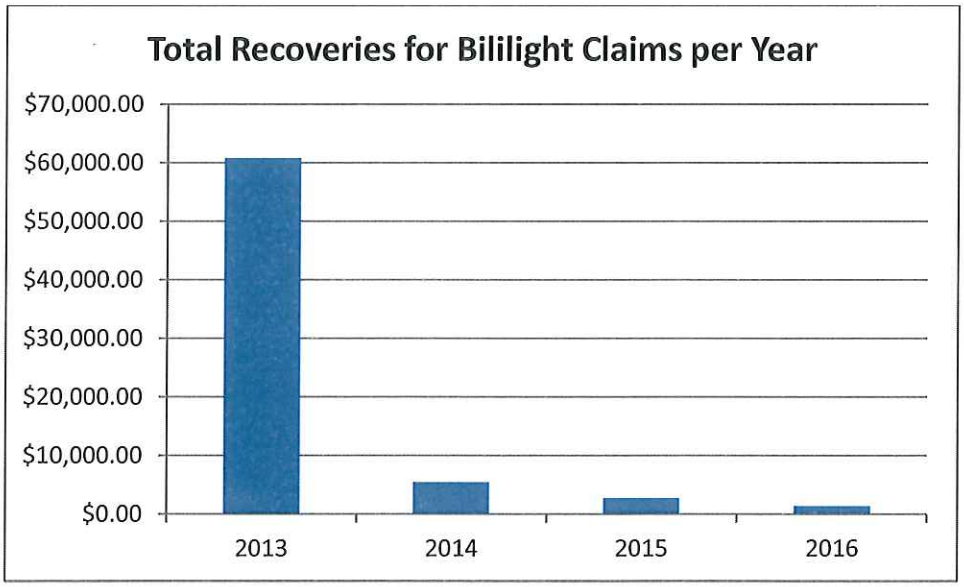


In January of 2013 Medicaid published a Medicaid Information Bulletin (MIB) outlining limitations for dental sealants.

"Effective July 1, 2013, dental code D1351 (sealants) will be limited, per tooth, 1st or 2nd permanent molar or premolars (bicuspids) to one every two years. Sealants are available only for EPSDT clients."

Since the time frame for sealants is two years, this issue was revisited in July of 2015. While most providers were following guidelines, there were a select few that were not. Through a performance audit and provider education, the excessive sealants have been reduced, and are expected to be reduced further by 2017. The cost avoidance amount is projected at $60,000 per year.

CPT Code E0202: Phototherapy



For a variety of reasons a child may be born with jaundice, which is caused by a build-up of bilirubin within the red blood cells. Bililights are one form of treatment for Jaundice. These lights produce a specific light that the skin absorbs and helps break down the bilirubin so it can be passed through the child's system. Utah Medicaid policy allows the lights to be rented for up to 7 days without a Prior Authorization (PA). If no PA exists on the claim the bililight can no longer be billed to Medicaid and amount paid by Medicaid is recovered by the UOIG.

This was discovered in 2013 and while money was recovered for having no PA, education was also provided to those engaged in the billing practice. From 2011 through 2013 there was about $70,000 in recoveries of improperly paid claims, the bulk of the recoveries occurred in 2013. The behavior was significantly decreased through education and recoveries. This averages out to a conservative cost avoidance estimate of about $20,000 per year and it is still being monitored.

The UOIG evaluated 8 scenarios using this technique during SFY 2016. The Office forecasts a cost avoidance of $5.2 million from those scenarios which calculates to an additional ROI of 199% (See page 12 for tabulated data).

MFCU Referrals

The UOIG refers suspected fraud perpetrated by providers to the Medicaid Fraud Control Unit and fraud perpetrated by recipients to local law enforcement. The Office started focusing more on fraudulent activity during SFY 2016 than it has in the past. The new focus resulted in 9 cases referred to the Medicaid Fraud Control Unit, more than any previous year since the Office has existed.

The Inspector General has begun discussions with local law enforcement regarding referrals of recipients how are conducting fraudulent activity, including drug seeking behavior. The Inspector General anticipates referrals to both the MFCU and local law enforcement will increase significantly during SFY 2017.

Projected Trends

UOIG Recoveries have fallen over the past five years. This decrease in recoveries is attributable to a number of factors, but is primarily due to the Sentinel Effect as discussed in the SFY 2015 Annual Report. The Sentinel Effect is the change in billing behaviors that are brought about by oversight provided by the Office. Other factors that may result in a decrease in recoveries are the HIT program being audited by an outside contractor and the RAC contract now reporting directly to Medicaid rather than to the UOIG.

The Inspector General projects cash recoveries will continue to decrease. This decrease should be fully anticipated by all stakeholders as changes in billing behaviors are influenced by the work of the UOIG. Recoveries will primarily come from requests for providers to rebill claims. Rebilling claims is Medicaid's preferred method for correcting paid claims. This method supports their accounting practices. In those cases the recovery is the difference between the original billed amount and the rebilled amount. Additionally, the impact of cost avoidance should not be underestimated. The Inspector General projects the cost avoidance estimates will continue to climb and should approach $10 million during SFY 2017.

The Office will continue to maximize the training of its employee's, especially utilizing the 100% federally funded training available at the National Advocacy Center in South Carolina, to ensure nationally trending fraud schemes are identified and investigated quickly in Utah.

Office Summary for SFY 2016

SFY 2016 Taxpayer Funds Collected*	
Cash Collected	$525,292
UOIG Initiated Credit Adjustments	$807,674
UOIG Requested Rebilled Claims	$1,432,634
Recovery Audit Contractor Recoveries	$3,745,505
Health Information Technology Recoveries	$1,520,204
Total Recoveries	**$8,031,309**

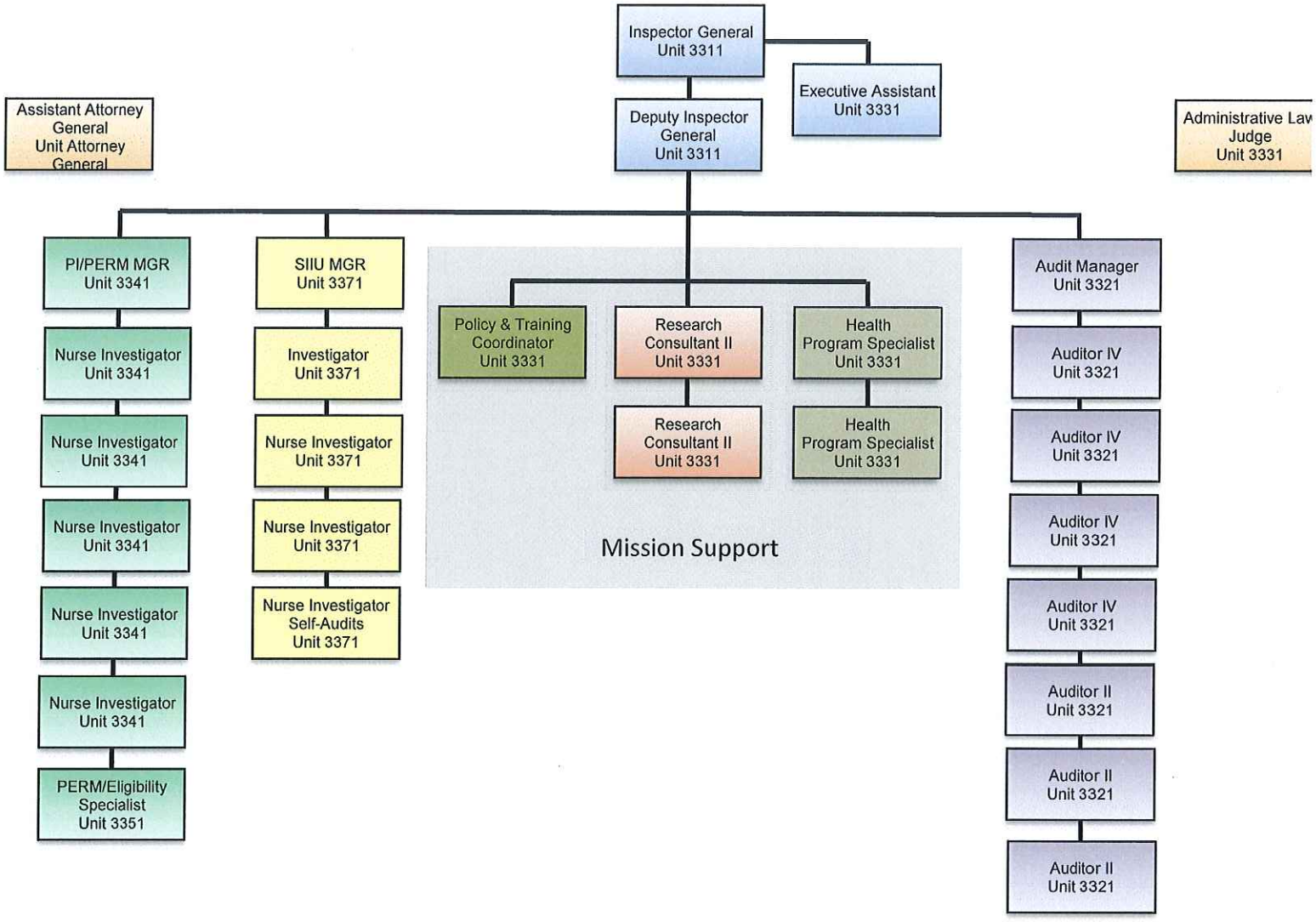
* UOIG collected an additional $8,531,329 on behalf of the Medicaid Fraud Control Unit (MFCU).

Projected Cost Avoidance	
Cost Avoidance from 8 scenarios	$5,200,000
Expenditures	
Personnel Services	$1,989,910
Travel	$17,688
Office Expenses (Current)	$482,845
Information Technology Costs	$128,587
Total Expenditures	**$2,619,030**
Return on Investment	
Collections	307%
Cost Avoidance	199%
Total ROI	**506%**
Investigations	
Leads evaluated	503
Cases opened	1,182
Total claims reviewed	3,150
Other claims evaluated for investigations (approx)	4,000
Recovery Letters	
Total recovery letters sent	1,462
Uncontested recovery letters	1,303
Total hearings requested	159
Undecided- still in hearing process	23
Closed in favor of UOIG	92
Closed in favor of the Provider	30
Closed by stipulated agreement	14
Referrals to Law Enforcement	
Referrals to MFCU	9
Audits	
Audits assignments completed	7
Policy Reviews	
UOIG policy reviews conducted	137
Training Events Conducted	
Provider outreach trainings	35

Attachment A

Utah Office of Inspector General of Medicaid Services Organizational Chart

Utah Office of Inspector General
Fund: 1000
Appropriations: FIA



Attachment B

Utah Office of Inspector General of Medicaid Services
SFY 2017 Strategic Plan
And
Operational Framework

SFY 2017 Strategic Plan and Operational Framework

July 2016

Utah Office of Inspector General

Background

The Utah Office of Inspector General (UOIG or Office) of Medicaid Services is an independent agency established by state legislative action during the 2011 legislative session. Utah Legislators established the Office as an oversight agency for the Medicaid program within the State of Utah. The Office was originally organized as an independent office under the Governor's Office of Planning and Budget. The Utah Department of Health's Bureau of Program Integrity was disbanded to create the UOIG. The Office assumed responsibility for tasks outlined in Utah Code and additionally entered into a Memorandum of Understanding (MOU) with the Utah Department of Health (UDOH) to perform certain program integrity functions required of a Medicaid program as outlined in 42 CFR 455 and 456.

In 2013 the Office was moved from the Governor's Office of Planning and Budget, which by that time had been reorganized as the Governor's Office of Management and Budget, to the Department of Administrative Services (DAS).

The MOU between the OIG and DOH proved problematic for the Office since tasks assigned by Utah Code and tasks agreed to under the MOU are so similar they frequently overlap.

Authority

Duties and Responsibilities of the UOIG are outlined in Utah Code 63A-13.

Standards

These documents seek to incorporate principles and standards found in the Association of Inspectors' General *Principles and Standards for Offices of Inspector General*, commonly referred to as the Green Book. Additionally they incorporate standards outlined in the United States Government Accountability Office's *Government Auditing Standards*, 2011 Revision, commonly referred to as the GAO Yellow Book.

Purpose

The UOIG 5-year Strategic Plan and Operational Framework is a guide to how the Office will conduct business and what standards will apply to the Office's work. It also serves to delineate between tasks assigned within Utah Code and tasks agreed to through the MOU. The 5-year Plan is built on careful analysis of how the Office conducted business over the first five years of operation and how it expects to conduct business over the next five years. The Operational Framework will serve as a guide as the Office fulfills its primary mission of identifying fraud, waste, and abuse in the Medicaid system, identifies root causes of those

problems, and makes recommendations for improvement of policy and procedures that address those root causes.

Guiding Principles

The priority of this Office is to seek fraud, waste and abuse within the Medicaid system. All UOIG employees shall adhere to the following principles; which represent the level of professionalism expected of them as they represent the taxpayers of Utah.

Independence

The greatest potential impairment to the Office's work is the appearance of a loss of independence. All members of UOIG staff will identify and immediately report any impairment to their independence annually and upon receiving an assignment.

Planning

The UOIG will create plans to address any problem they encounter. A planning committee will address the problem, identify the root causes of the problem and will determine the best course of action to audit or investigate the problem.

Organizing

The UOIG will create an organizational structure that lends itself to the most efficient and effective employment of State and Federal resources.

Staff Qualifications

UOIG management will actively seek external training opportunities, within budgetary constraints, that improve employees' qualification to conduct the work of an Office of Inspector General. Internal training will take place continually and will seek to improve efficiency of the Office.

Direction and Control

UOIG leaders, at all levels, will lead by example. Office leadership will ensure employees are provided adequate guidance, supervision, and resources to accomplish their mission. Managers will ensure quality control measures are established and applied.

Coordination

The UOIG will seek to work cooperatively with all of its stakeholders to ensure effective communication is achieved and duplication of effort is avoided.

Reporting

Reporting is a key component of an Office of Inspector General. The UOIG will keep appropriate officials and the public informed of its activities, findings, recommendations, and accomplishments consistent with its mission, legal authority and confidentiality requirements.

Confidentiality

The UOIG will establish and follow procedures for safeguarding the identity of confidential sources and for protecting privileged and confidential information. Specifically,

- confidential sources who make complaints or provide information to the OIG will not have their identities disclosed without their consent unless the Inspector General determines such disclosure is required by law or necessary to further the purposes of an audit, investigation, inspection, evaluation, review, or other inquiry; and,
- privileged or confidential information gathered by the OIG will be protected from disclosure unless the Inspector General determines that such disclosure is required by law or necessary to further the purposes of an audit, investigation, inspection, evaluation, review, or other inquiry.

UOIG Strategic Plan
State Fiscal Year 2017

Vision Statement

We will be Utah's trusted voice in Medicaid oversight

Mission Statement

The Utah Office of Inspector General of Medicaid Services, on behalf of the Utah Taxpayer, will comprehensively review Medicaid policies, programs, contracts and services in order to identify root problems contributing to fraud, waste, and abuse within the system and make recommendations for improvement to Medicaid management and the provider community.

Ethics Statement

The Utah Office of Inspector General of Medicaid Services adopts the standards found in the Association of Inspectors General Principles and Standards for Offices of Inspector General, commonly referred to as "the green book". Values represent what communities find desirable, important, and morally proper. Values also serve as a tool to evaluate our own personal actions and the actions of others. As an Office of Inspector General we recognize the importance of ethical behavior in all aspects of our performance, both individually and collectively. As such, all employees should seek to embrace the following ethical behaviors:

Accountability- We will be accountable to the taxpayers of Utah as we seek to ensure accountability of those over whom we have oversight.

Responsibility- We will accept the consequences for all outputs our Office creates. We will not accept the easy wrong over the hard right. Our findings are our findings, our recommendations are our recommendations, and we will accept responsibility for them.

Respect- We will treat all stakeholders and other UOIG employees with dignity. We will treat them the way we expect them to treat us.

Fairness- We will ensure facts, rather than biases or other conflicts of interest, determine our findings and recommendations.

Thoroughness- We will make every effort to ensure all aspects of an assignment are evaluated fully as we conduct audits, investigations, inspections, self-audits, evaluations, and reviews.

Strength- We will not allow others to undermine our work as an Office of Inspector General. We will use our authority wisely, but to the fullest extent possible.

Transparency- We will report all of our findings as long as they do not include personal health information or information otherwise restricted for public release.

Objectives and Goals

Objective 1: Organize for Success

1a: Create and document an operational framework to help guide the work of the Office.
1b: Evaluate the current organizational chart, based on the new operational framework, to determine the best structure.
1c: Evaluate the current case management system and identify ways for improvement.
1d: Incorporate the standards and principles of the AIG Green Book and GAO Yellow Book.

Objective 2: Develop the Team

2a: Initiate a performance plan and evaluation system.
2b: Seek external training opportunities for employees.
2c: Develop or incorporate a manager development program.
2d: Develop an internal training program.

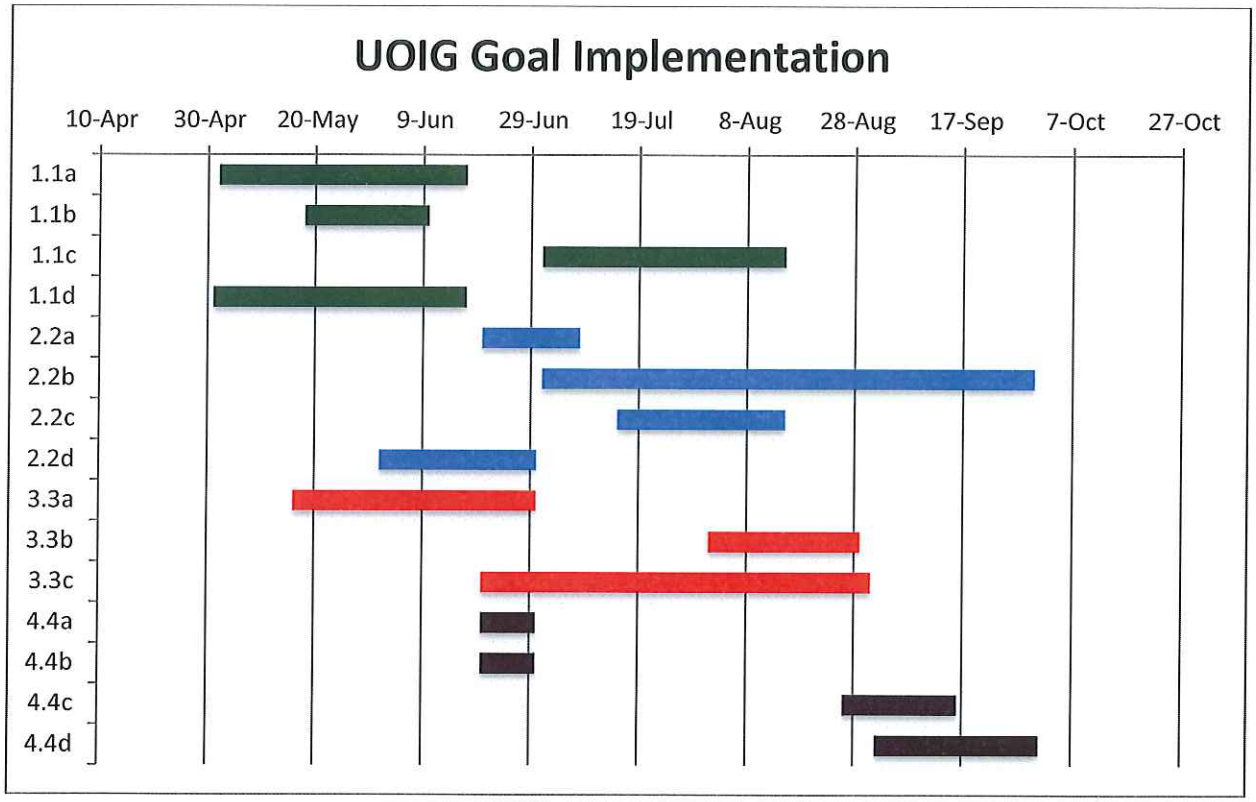
Objective 3: Improve Stakeholder Relations

3a: Launch new website.
3b: Create a social media plan.
3c: Rewrite and publish the administrative rules.

Objective 4: Incorporate new methods for identifying fraud, waste, and abuse in the Medicaid system

4a: Publish a one year audit plan.
4b: Create a one year plan for reviewing specific provider types.
4c: Develop a KPI dashboard.
4d: Develop a contract oversight program.

Goal Timeline



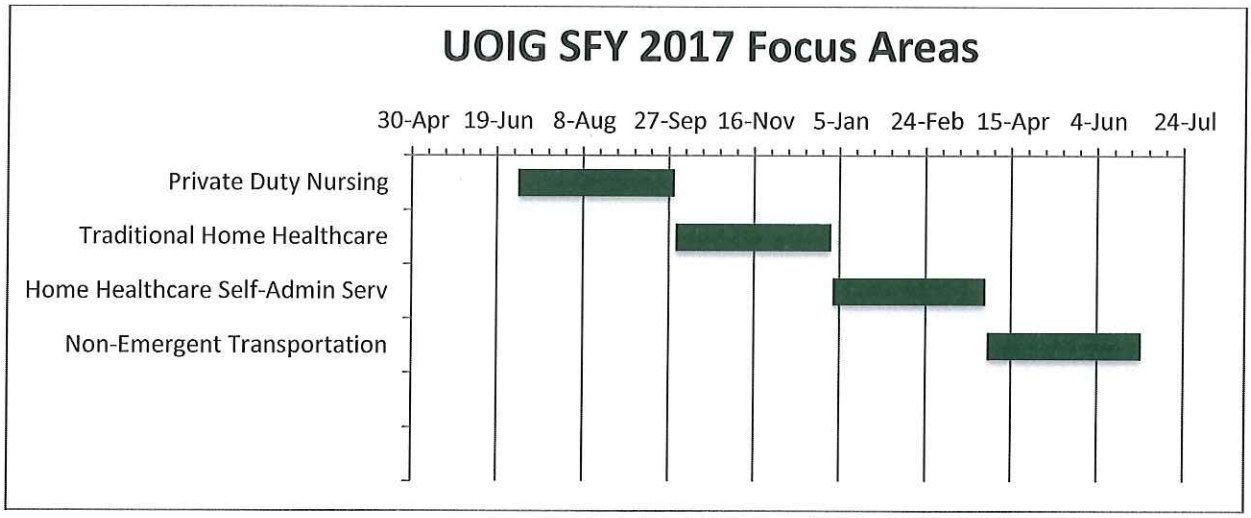
Key Performance Indicators (KPI)

1. Audits completed
2. Recommendations made
3. Recommendations implemented by Medicaid
4. Investigations initiated
5. Investigations completed
6. Investigations that result in hearings
7. Return on investment (ROI)
8. Cost avoidance amount
9. Training events

FY 2017 Focus Areas

During State Fiscal Year 2017 the UOIG quarterly focus will be home healthcare centric. This problem continues to be of great concern, both nationally and at the state level. We will partner with external stakeholders to define the problem, compare other States' best practices, evaluate possible solutions, and make recommendations. The policy, data and legal sections will conduct reviews of the specified areas the month prior to the start of each quarter. The Office will seek opportunities to leverage all aspects of its Operational

Framework to address these problems. These focus areas are a guide and other work will continue simultaneous. This section does not restrict the Office in any other investigations or audits that are identified during the course of other work.



UOIG
Operational Framework

Introduction

The Utah Office of Inspector General's Operational Framework is a general framework that will guide work functions conducted by the Office. There are three levels of internal control within the UOIG; strategic, operational, and processes. This operational framework supports the strategic plan while providing overarching guidelines for how processes shall be applied.

There are five phases associated with this framework, which are:

1. Identify the problem
2. Plan the best course of action to address the problem
3. Execute the plan
4. Report the outcomes of the execution phase
5. Follow-up on the result

Identify the Problem

A problem is defined as identification of any concern that may lead to the implementation of any of the six protocols.

Identifying problems is the responsibility of every employee of the Utah Office of Inspector General. The Office is statutorily required, under Utah Code Ann. § 63A-13 to "investigate and identify potential or actual fraud, waste, or abuse in the state Medicaid program." Any problem identified within policy, contracts, or through billing practices may be considered potential fraud, waste, or abuse.

Problems are identified or received through any of the following methods:

1. Hotline calls. The UOIG maintains a hotline where any government employee, provider, or citizen may report suspected fraud, waste or abuse. The hotline phone number can be found on the UOIG website and is briefed at every training event conducted by the Office.
2. Website referrals. The UOIG website contains prominent links to a reporting page where government employees, providers, or citizens may report suspected fraud, waste, or abuse. When submitted correctly the form is sent to mpi@utah.gov which the admin team monitors daily.
3. Data analysis. Data pulls and their subsequent analysis frequently identify billing anomalies associated with specific facilities or providers.
4. Policy reviews: The Office conducts regular reviews of Medicaid policy. During the course of those reviews questions arise regarding aspects of policy that require further scrutiny.
5. Contract reviews. The Office conducts reviews of any contract or memorandum of understanding entered into by Medicaid. The purpose of these reviews is to identify internal controls and to ensure compliance by both parties.
6. Word of mouth referrals. The Office receives complaints directly from employees of agencies who perform Medicaid functions.

Any person making a referral to the UOIG may do so anonymously.

Once the Office identifies a problem, through any of the listed methods, it is entered as a lead into the case management system and assigned to the Deputy Inspector General. The Deputy Inspector General assumes responsibility for the problem during the planning phase.

Plan the Best Course of Action to Address the Problem

The UOIG Planning Committee is responsible for determining how to address problems received by, or identified within, the Office. The committee is comprised of the Inspector General, Deputy Inspector General, Audit Manager, Investigations Manager, Program Integrity Manager, Policy and Training Coordinator, and the Data Analyst.

The Planning Committee will convene at least weekly, normally on Monday morning.

The committee will seek to answer the following questions regarding each problem brought before it:

1. Does the UOIG have jurisdiction?
2. Is fraud suspected?
3. What is the impact?
4. Is it more appropriate for another State Agency to address this problem?
5. What is a realistic timeline for addressing this problem?
6. Is a legal review required?
7. Is a policy review required?
8. Is additional data required?
9. Which section will be responsible for this problem?

The Deputy Inspector General will coordinate the transfer of the referral when the committee determines another State Agency is more appropriate to address the problem.

The problem will be assigned to one of the Managers during the planning meeting, who assumes accountability for the problem through all remaining steps. The "assigned to" field in the case management system will be changed to the assigned manager during the committee meeting.

Planning will be accomplished within one week after receipt or identification of the problem unless additional data, legal review, or policy review is needed. In those cases the Committee will review the problem the following week and make the assignment.

Execution

The execution phase is the responsibility of the section manager the case is assigned to. Once the manager receives the problem they will assign the case to one or more employees within their section. Those employees and the manager will create an execution plan in coordination with the data analyst, the attorney, and the policy and training specialist. An assignment document will be created and entered into the case management system along with a statement of independence for those assigned to the case.

There are six protocols the audit/investigation team may choose to employ to address the problem. Supporting processes for each protocol can be found in the process manual. The six protocols, two major and four minor, are:

Major
1. Audit
2. Investigation

Minor
3. Inspection
4. Self-Audit
5. Evaluation
6. Reviews

Uses of the terms major and minor are not intended to diminish the importance of one protocol over another. The protocols designated as major will always stand alone and will not be part of any other protocol. Those designated as minor may stand alone or may be included as part of a protocol designated as major.

Audit: The purpose of an audit is to review, in detail, processes, financial practices, programs, products, etc. to provide recommendations to management for improvement. UOIG audits are usually process or financial in nature. An audit follows a rigid, administrative rules based structure. The expected outcome of an audit is an audit report. All audits are conducted using standards found in the United States Government Accountability Office (GAO) Government Auditing Standards, 2011 Revision.

Investigation: The purpose of a UOIG investigation is to gather facts in order to confirm or deny allegations of fraud, waste, or abuse within the Utah Medicaid system. An investigation may or may not be conducted on-site based on the needs of the investigator. An investigation is planned, but not rigidly structured to allow the investigator to follow additional leads related to the case that may arise.

Inspection: The purpose of an inspection is to ensure compliance with specific policies or contracts, or any subpart of them. Inspections are always conducted on-site and will be checklist oriented. The checklist will be created based on policy or contract review in place at the time of the inspection. The inspection will seek to answer the question, "is this policy, procedure, or tenant of a contract being performed correctly?"

Self-audit: The purpose of a self-audit is to identify correctable billing practices and then allow Medicaid providers to review and correct the problems within their own practices. Self-audits are based on cost benefit analysis (CBA) where cost to the State of Utah, in employee hours, outweighs the amount of the recovery. Self-audits must be low to medium risk and will be policy based. Self-audits ensure compliance with policy and/or contract provision while simultaneously training providers.

Evaluation (Short Audit): The purpose of an evaluation is to review a very narrow scope of a process, program, practice, or product to ensure compliance with statute, rules, regulations, policies, or contract provisions. An evaluation will follow standards established in the Association of Inspectors General Principles and Standards for Offices of Inspector General.

Review: The purpose of a review is to ensure proper billing by providers, proper payments by Medicaid, or to ensure information going to providers is accurate and complies with CMS rules and regulations. Reviews conducted by the UOIG include Post Payment Reviews (PPR), Medical records reviews, and MIB/Policy Manual reviews.

The execution phase ends with the production of an output. Outputs commonly created by the Office include:

- Audit Reports
- Investigation Reports
- Notices of Recovery (NOR)
- Referrals
- Corrective Action Plans (CAP)
- Advisory Memos
- Report of No Action

Managers are responsible for ensuring completeness and accuracy of all outputs.

Reporting

Reporting is a critical function of any Office of Inspector General to ensure transparency in government operations. Outputs will be reported. Reporting will occur both internally and externally.

Internal Reporting will occur during weekly OIG staff meetings and will include a brief description of the problem, protocol employed to address the problem, findings, recommendations, and lessons learned including areas within the protocols that may need changing.

The purpose of the internal report is to share lessons learned with the entire OIG staff and to keep staff informed.

Management bases external reporting requirements on analysis of the desired audience and the information that is to be released. There are five levels of distribution:

Level 1: Distribution of the output to appropriate agencies and government officials.
Level 2: Uploading the output to the UOIG website, if appropriate.
Level 3: Distribution through the Listserv to notify the provider community.
Level 4: The use of social media (Facebook and Twitter) to notify a broader audience.
Level 5: Press releases to notify the broadest audience possible.

The distribution levels are hierarchal. Level 1 will be used for all reporting, but if level 3 is used, for example, then levels 1 and 2 are also employed.

The reporting phase begins once the manager approves the output and the Inspector General has reviewed and authorized the output for release. It ends when the chosen level of distribution is achieved.

Follow-up

The auditor/investigators assigned to a problem will include a follow-up plan in the execution plan for each problem. The purpose of follow-up is to ensure implementation or completion of recommendations, corrective action plans, recoveries, etc.

Appropriate follow-up may include data pulls to identify changes in behaviors (cost avoidance), review of corrective action plans to ensure implementation, or review of recommendations to determine rather or not the recommendations were implanted. Follow-up may include re-conducting an entire protocol or of the minor protocols to determine effectiveness.