

# **Annual Report**

## **Fiscal Year 2022**



**Utah Office of Inspector General**  
**Medicaid Services**

**“2022 Fraud, Abuse and Waste Elimination Efforts”**



Gene D. Cottrell  
Inspector General

## SFY 2022 Annual Report of the Utah Office of Inspector General of Medicaid Service

Dear Governor Cox and Members of the Utah State Legislature,

It is my pleasure to present the SFY 2022 Annual Report of the Utah Office of the Inspector General of Medicaid Services (UOIG). The UOIG continues serving the people of the great state of Utah, through the diligent pursuit of our vision of a Medicaid program free of fraud, abuse and waste. We strive to protect taxpayer dollars by aggressively identifying and eliminating the contributors of fraud, abuse and waste.

This year, we took a different approach to the annual report by including more graphs to represent the work the Office performs, which led to a significantly shorter, but more readable report.

The Office recovered \$9.14 million in Medicaid funds during SFY 2022. The most desirable method of recovery is a directed rebill of the claims, where the provider rebills a previously submitted claim with more appropriate coding. Rebilling is the preferred method of recovery. This recovery method accounted for 74% of all recoveries during the fiscal year. Credit adjustments are the least desirable method of recovery, but are necessary when a provider fails to respond to the UOIG, or in some instances, the provider requests that the debt be satisfied through a credit adjustment. Credit adjustments accounted for 22% of total recoveries. Cash recoveries accounted for 4% of the total recoveries. During the past five fiscal years the Office recovered \$28.83 million dollars through all three recovery methods.

While recovery of inappropriately billed Medicaid funds is important, changing providers' behavior is equally important. The UOIG uses data analysis to capture changes in provider behaviors. We observe a provider's billing practices prior to a UOIG project and then monitoring what changes occur after completion of the project. The UOIG operationalized this cost avoidance methodology in 2017 and the methodology is now used by other Program Integrity units throughout the country. The UOIG is claiming \$25.96 million in cost avoidance for fiscal year 2022. The total cost avoidance for the past four fiscal years is \$88.20 million, with \$20.69 million projected in SFY 2023.

The UOIG referred 6 credible allegations of provider fraud to the Medicaid Fraud Control Unit (MFCU) during the past fiscal year, and anticipates making many more that are currently under preliminary investigation. The Office also referred 15 recipient fraud allegations to the DWS investigations team for further review, however, the public health emergency (PHE) protocols frequently prevent recipients from being removed from Medicaid for the duration of the PHE.

The Inspector General and the UOIG staff continue seeking contributors of fraud, abuse and waste in the Medicaid system in order to protect taxpayer investments. We take great pride in our work and it is our honor to represent the citizens of the State of Utah as we continue striving for our goal of a Medicaid program free of fraud, abuse and waste.

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

# SFY 2022 Annual Report

## Utah Office of the Inspector General of Medicaid Services

### Our Vision

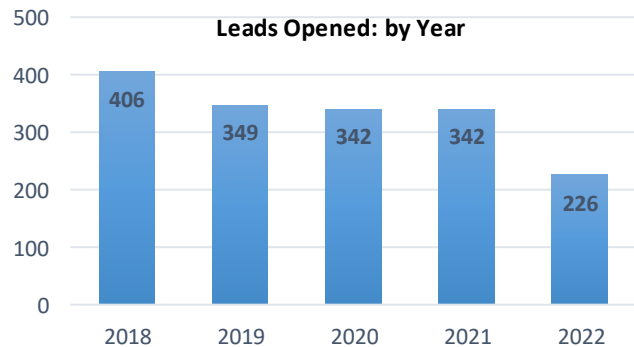
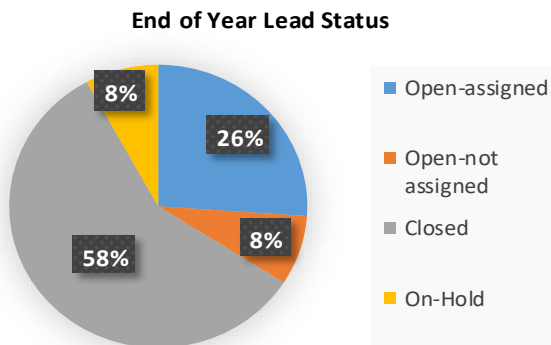
A State Medicaid Program free of fraud, abuse or waste

### 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 Utah State Medicaid Program, and by taking action to mitigate or eliminate those risks.

### Leads Opened

Leads are all investigations/reviews initiated by the UOIG, regardless of source. The Office opened 226 leads during SFY 2022.



### Recoveries

The UOIG recovers Medicaid funds after reviews identify that the submission of the claim violated Medicaid policy and/or correct coding standards. The Office recovered \$9,145,030.46 during SFY 2022.

#### Authority:

Utah Code 63A-13-202(1)(m)

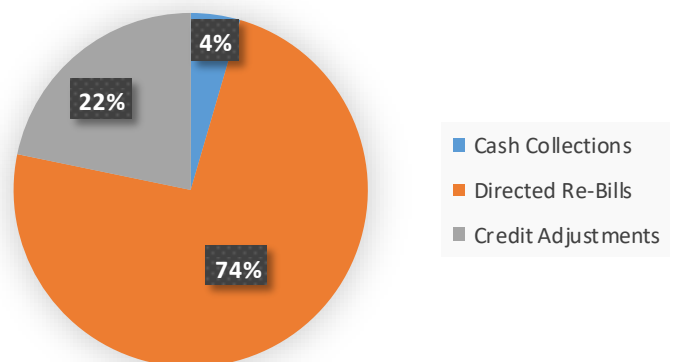
#### Methods of Recovery:

**Cash Collection:** Provider returns Medicaid funds via check.

**Directed Rebills:** UOIG requests that a provider void the original claim and rebill the claim correctly. The recovery amount is the difference between the incorrect claim and the corrected claim.

**Credit Adjustments:** The UOIG or the provider requests that Medicaid satisfy the repayments by deducting the debt from future payments.

#### SFY 2022 Recoveries by Type



#### Year-Over-Year Recoveries

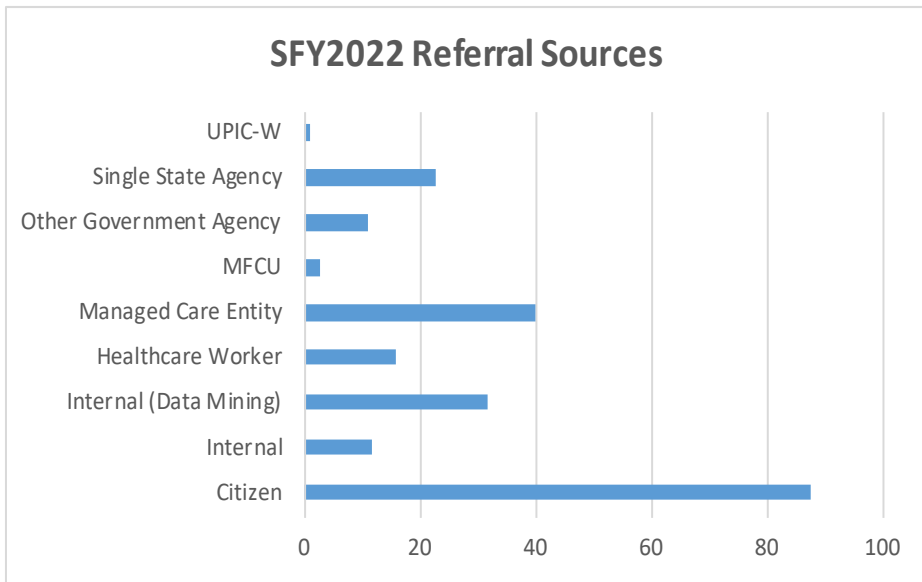
Fiscal Year	Cash Collections	Directed Re-Bills	Credit Adjustments	Totals
2018	\$1,423,963.00	\$1,327,266.00	\$743,315.00	\$3,494,544.00
2019	\$1,372,960.00	\$1,550,304.00	\$1,730,693.00	\$4,653,957.00
2020	\$579,373.00	\$3,523,232.00	\$2,759,471.00	\$6,862,076.00
2021	\$1,026,766.50	\$2,216,508.97	\$1,431,662.87	\$4,674,938.34
2022	\$413,380.98	\$6,741,907.52	\$1,989,741.96	\$9,145,030.46
				\$28,830,545.80

## Cost Avoidance

The UOIG cost avoidance methodology is based on observable changes in behavior due to changes brought about by an action the office initiated. The Office uses data to observe the cost of a specific behavior prior to initiation of a project and then observes that same behavior for the same time period following completion of the project. When the time period is graphed the changes in cost to the program can be statistically determined. The Office forecasts those savings out for five years and frequently verifies the savings to the program are still valid during that period. At the end of the five year period the savings are no longer calculated as part of cost avoidance numbers.



## Referral Sources by Type



The UOIG receives allegations of fraud, waste and abuse from various sources through the fraud hotline, and through the fraud reporting link on the Office website.

The Office evaluates every allegation to determine credibility. Once we determine an allegation is credible we conduct a data review, a policy review and a legal review, as needed. These reviews help the management team decide what course of action to take. Some leads are resolved at this point while others are assigned for a preliminary investigation by the Office's Program Integrity unit.

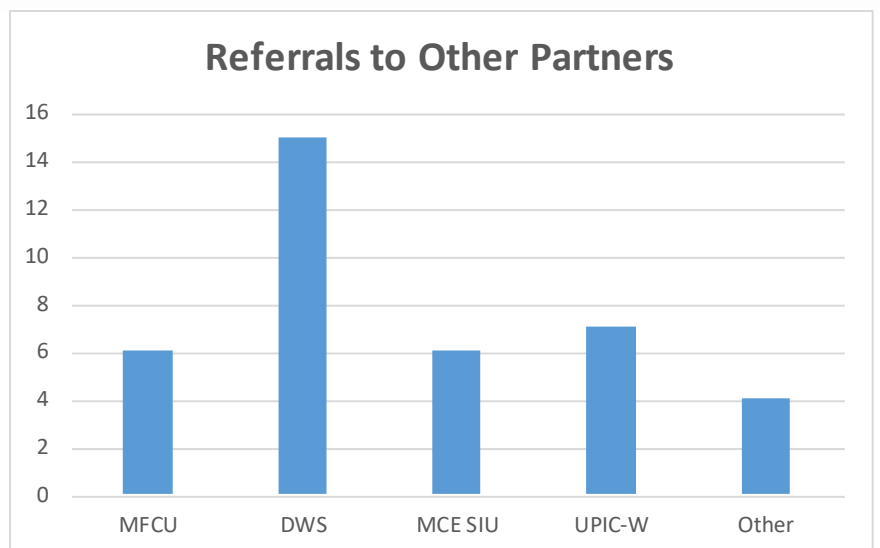
The total number of allegations received in SFY 2022 was 226.

## UOIG Referrals to Other Partners

The UOIG conducts preliminary investigations in accordance with 42 CFR § 455.14 to establish credibility of an accusation. When the Office determines an allegation is credible it refers the lead to the appropriate authority for a full investigation.

The Office refers credible allegations of provider fraud to the Medicaid Fraud Control Unit and credible allegations of recipient fraud to the DWS Investigations Unit.

In SFY 2022 the UOIG referred 38 leads for further investigation.



## Training

The UOIG believes there is great value in training the community. Our training program is a primary component of meeting our vision of a Medicaid program free of fraud, abuse and waste. We train providers, professional organizations and state partners to raise awareness of emerging fraud trends, to provide instructions on reporting and enlist their help in the fight against Medicaid fraud.

During SFY22, the Office conducted **11 training sessions and trained 1372 attendees.**

We anticipate training numbers will increase during the SFY23 fiscal year as word of the training program reaches more groups and UOIG training is requested.

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## Audits

A unique aspect of an Office of Inspector General is the ability to audit the Single State Agency. States who chose to use a Program Integrity section within the Single State Agency, do not have that capability and miss an opportunity to identify waste generated by lack of controls, lack of adherence to controls, or Medicaid policy that creates waste within the Medicaid program. The UOIG does not view this type of waste as intentional, but it is created through years of conducting business “the way we’ve always done it”.

The UOIG audit team conducts performance audits that test controls to ensure they are adequate and that the controls are followed by those employees who conduct the work associated with that control. UOIG Audits frequently result in recommendations to the Single State Agency regarding ways to control Medicaid waste through changes in controls, including policy changes. It is important to note, that the Inspector General is prohibited from changing Medicaid policy by statute, Therefore, all audit recommendations to the Single State Agency are just that, recommendations. They should not be viewed as requirements of the Single State Agency, as that would place the Inspector General in a decision making position.

**During SFY 2022, the UOIG released 2 Audits which included 15 recommendations (12 accepted and 3 partially accepted)**

The two audits were:

- Fee-For-Service Claims Incorrectly Paid for PMHP Recipients
- Deficit Reduction Act (DRA) Compliance 2021

The Fee-For-Service audit identified \$1.6 million in waste, which the UOIG recommended the Single State Agency recover.

The UOIG sanitizes all audits of identifying data and posts them to the UOIG website at [oig.utah.gov](http://oig.utah.gov).