



Utah Office of
Inspector General

Gene Cottrell
Inspector General

June 4, 2024

RE: UOIG analysis of Provider Preventable Conditions reporting

Dear Social Services Appropriations Committee Co-Chairs,

The Social Services Appropriations Committee, during the 2024 General Legislative Session, asked the Utah Office of Inspector General of Medicaid Services (UOIG) to conduct an analysis of provider preventable conditions (PPC) reports.

The UOIG conducted an audit of PPCs in 2021, using information available from the legacy payment system. The results of that audit included three findings, which were:

1. Utah Medicaid Managed Health Care instructions do not have the correct definition for PPC on the required PPC annual report submitted by each ACO, which is due in November. Each ACO also needs to report the same ID number type for consistency on the annual report.
2. Utah Medicaid Managed Health Care does not map the POA codes in the data warehouse for encounter data, causing the ACO encounter data to be un-auditable for PPC identification.
3. Utah Medicaid Managed Health Care does not have edits to track or follow up on reported PPCs, within encounter data submitted by the ACOs in the required annual report.

PPCs are self-reported by providers and are not easily identifiable within Medicaid data. When a PPC occurs, the provider should not receive payment for that event. Medicaid policy is unclear if ancillary services, such as x-rays, are covered.

Medicaid accepted all of the recommendations from the audit but later chose not to implement two of them due to the impending launch of the new Provider Reimbursement Information System for Medicaid (PRISM). The UOIG agreed with that determination since it would have been an inefficient use of resources given that the implementation would change the controls that were tested in the audit. It is unclear to the UOIG, at this time, how the PRISM system is addressing claims that may meet the criteria for a PPC.

The UOIG's analysis is that risk still exists in this area of the Medicaid program and has added PPC to the work plan for a future audit.

In the meantime, the UOIG has discussed PPCs with the Special Investigations Units (SIU) at each managed care entity (MCE). The UOIG will provide PPC training to the SIUs in an upcoming quarterly meeting to discuss the importance of identifying when they occur and the need to deny payment for such events, including associated ancillary services.

Sincerely,

Gene D. Cottrell
Inspector General
Utah Office of Inspector General