

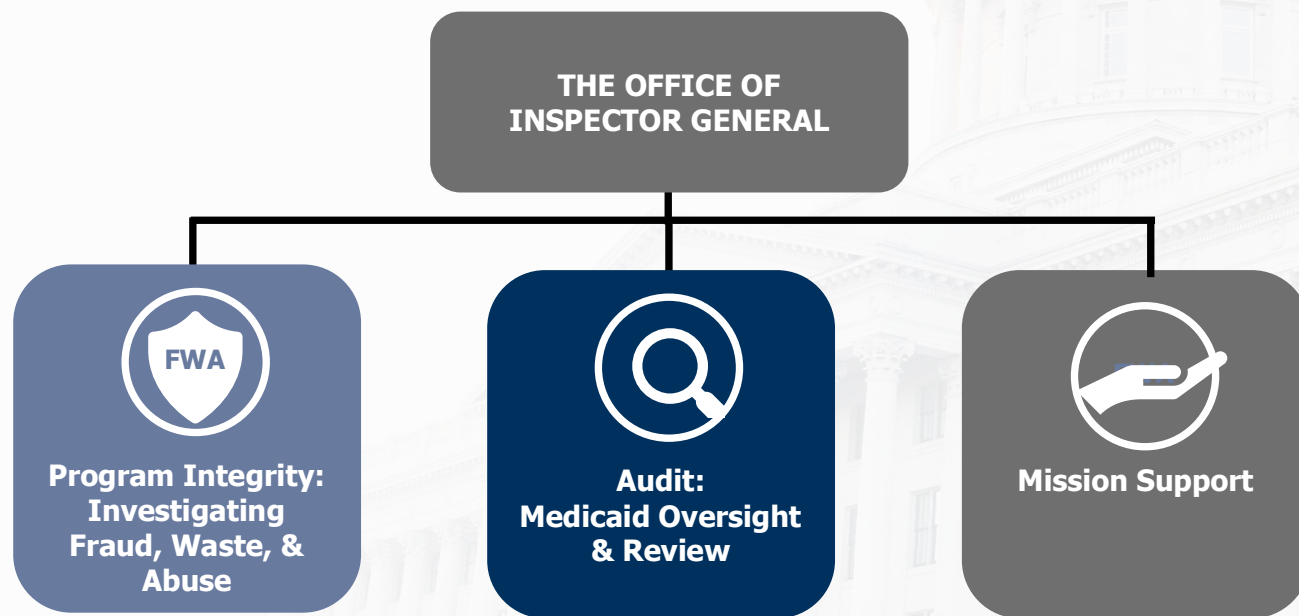
A Performance Audit of the Office of Inspector General of Medicaid Services:

Policy Options for Improved Governance and Medicaid Oversight

Rules Review and General Oversight Committee

October 16, 2025

The Legislature Created the OIG to Provide Medicaid Oversight



Report Outline

Ch1

Medicaid Oversight

Ch2

Internal Office Practices

Ch3

Legislative Policy Options For the Office



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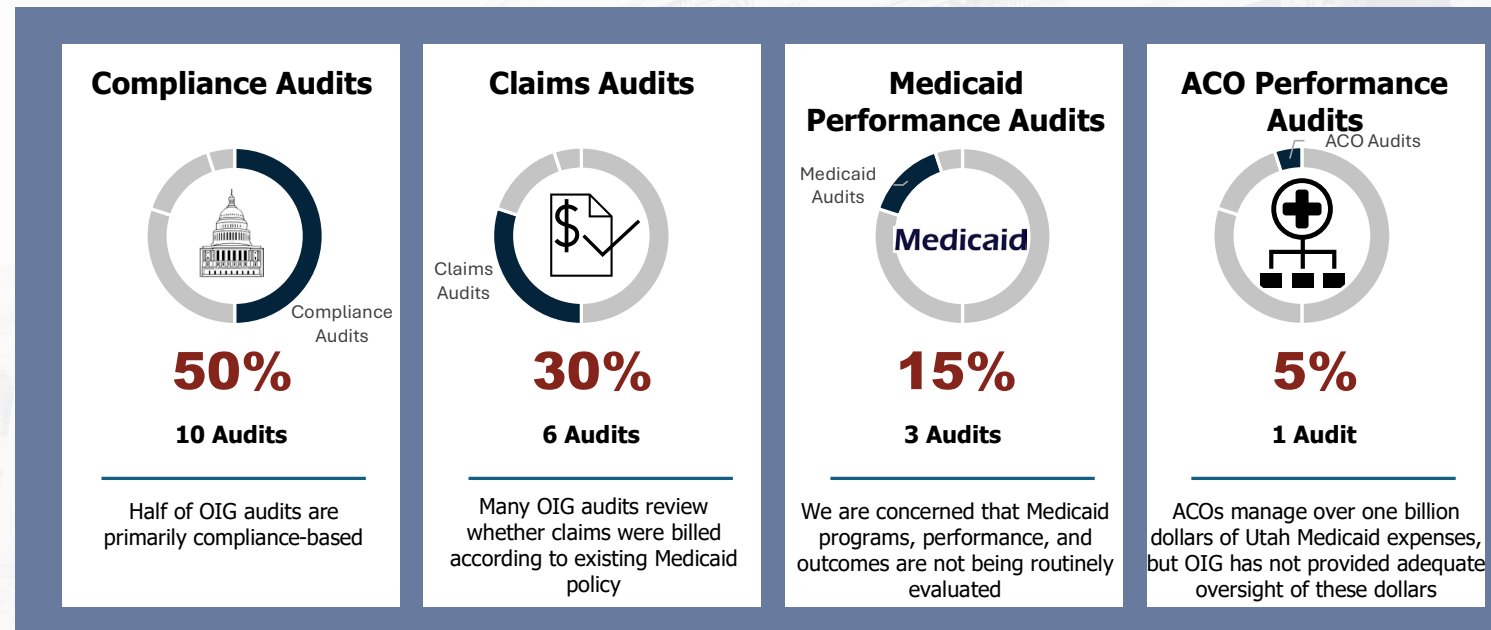
Chapter 1

The OIG Has Not Adequately Fulfilled its
Mandate to Provide Oversight of
Medicaid



The OIG Leadership Has Failed to Adequately Prioritize High-Impact Audits

- OIG Has Done Little to Evaluate Medicaid and Accountable Care Organizations (ACOs) in the Last Seven Years





These Are Examples of High Financial Risk Areas That We Would Expect the OIG to Review



Medicaid Expansion:
\$1.52 Billion



Accountable Care Organizations:
\$1.42 Billion
(discussed in Finding 1.3)



Mental Health and
Substance Abuse:
\$291 Million



Medicaid Program
Administration: \$190 Million



The OIG Has Provided Insufficient Oversight of Accountable Care Organizations

Utah's ACOs manage \$1.4 Billion, or 28 percent, of Utah's Medicaid expenditures

**\$1.4
Billion**

Despite possessing statutory and contractual authority to audit ACOs, the OIG has only completed

**1
performance
audit**

of ACOs the past seven years



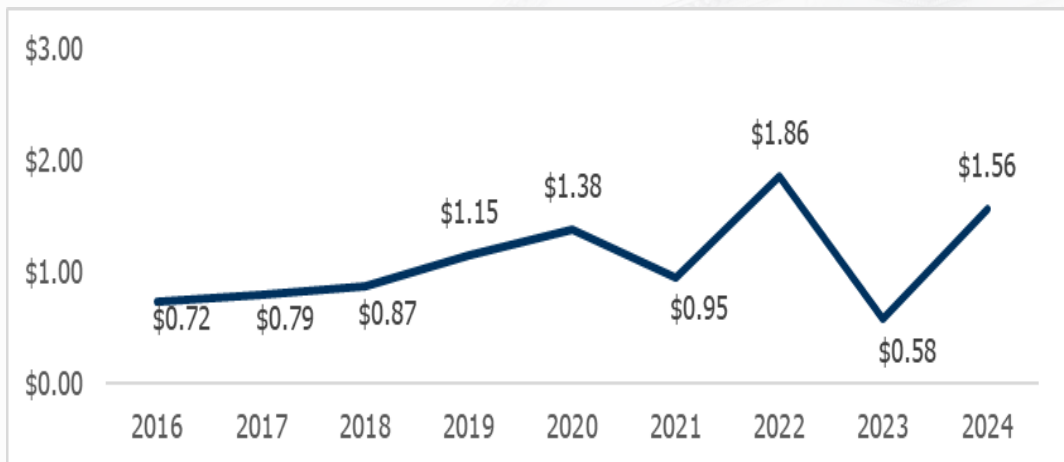
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Chapter 2

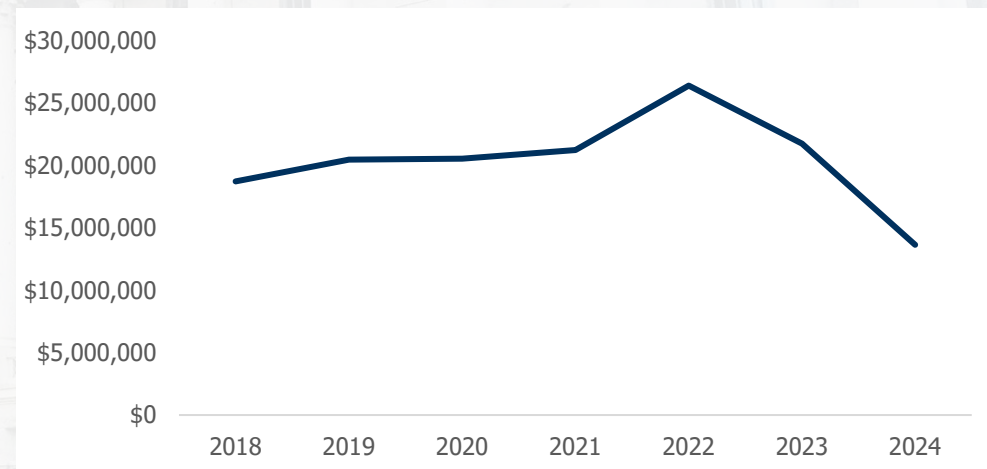
The OIG Lacks Sufficient Governance,
Leadership, and a Positive Culture

The OIG Has Inconsistent Performance Practices and Some Low Performance Outcomes

- OIG's return on investment (ROI) to the state has been inconsistent and, at times, negative



- OIG's cost avoidance (their estimated cost savings) is decreasing



Certain Elements of the OIG's External Reporting Have Lacked Accuracy and Transparency

Inflated Cost Avoidance

\$23
Million

Annual Report: Inaccurate Data



Identical data
reported across
multiple years

Math errors
inflating reported
activities



Changes in reported
numbers without
explanation

Annual Report: Omissions



Number of Data
Pulls (Required
by Statute)



Expenditures
(Stopped reporting
in 2020)



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Chapter 3

The Legislature Should Consider Policy Options to Improve OIG Accountability



The OIG Has Operated Under A Limited Oversight Structure

Menu of Options

Least Change

Most Change

Option 1: Keep PI & Audit in OIG, Change Governance

- The Legislature can create an oversight board
OR
- Require the OIG report to an existing entity (i.e. Governor's cabinet or the Attorney General)

Option 2: Keep PI in OIG, Move Audit to Established Office

- Program Integrity stays as the sole OIG function
- Audits are performed by established audit offices (i.e. State Audit or OLAG)

Option 3: Dissolve OIG, Move PI and Audit to Separate Offices

- Program Integrity moves to DHHS (independent of Medicaid)

Questions?

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