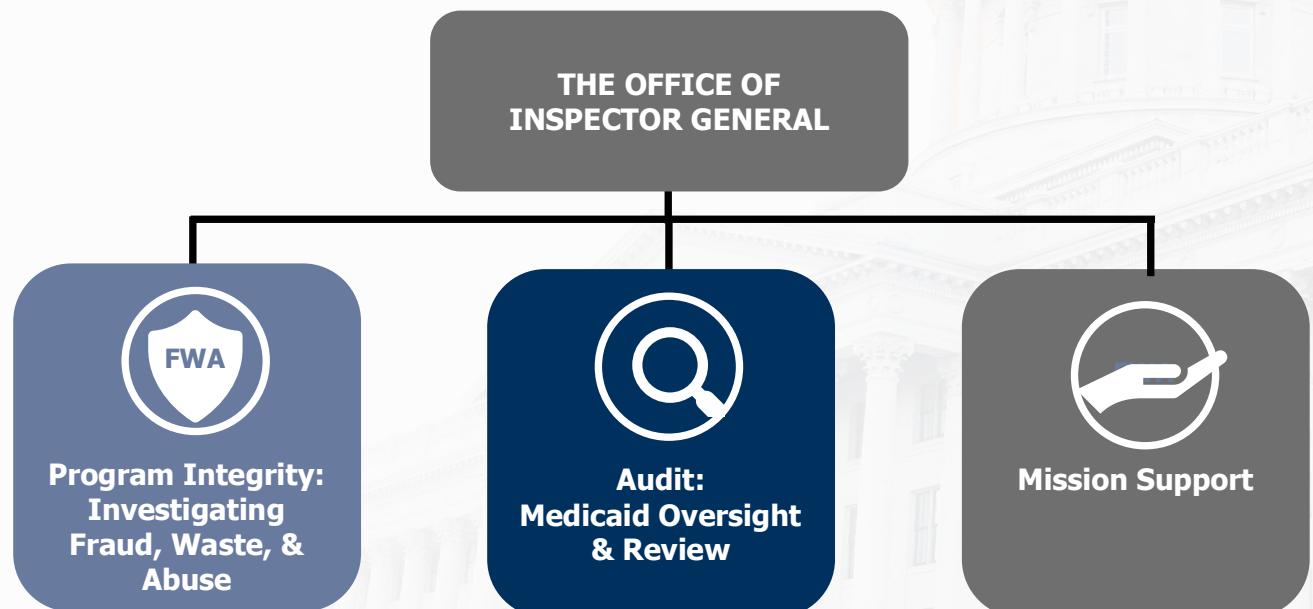




# A Performance Audit of the Office of Inspector General of Medicaid Services: Policy Options for Improved Governance and Medicaid Oversight

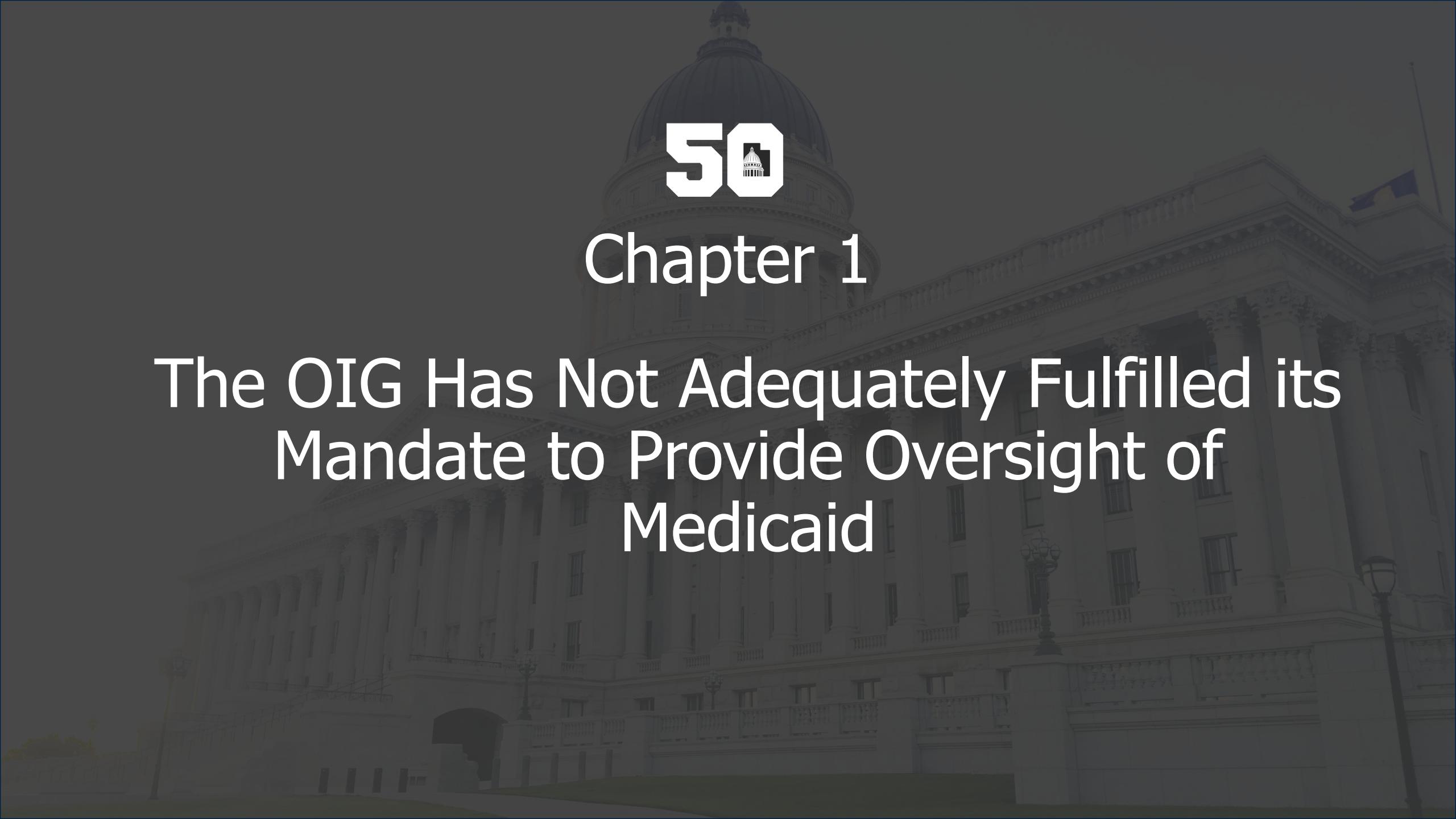
Rules Review and General Oversight Committee  
October 16, 2025

# The Legislature Created the OIG to Provide Medicaid Oversight



## Report Outline

- Ch 1 Medicaid Oversight
- Ch 2 Internal Office Practices
- Ch 3 Legislative Policy Options For the Office



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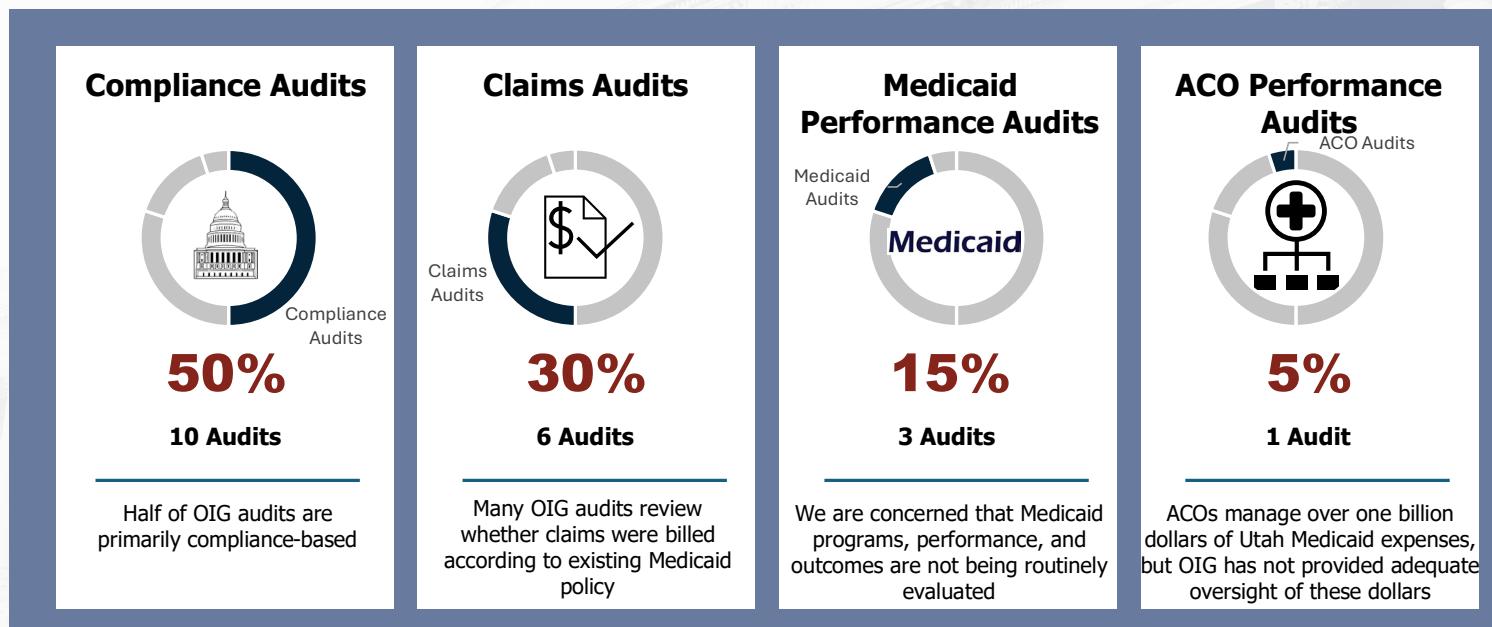
## Chapter 1

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

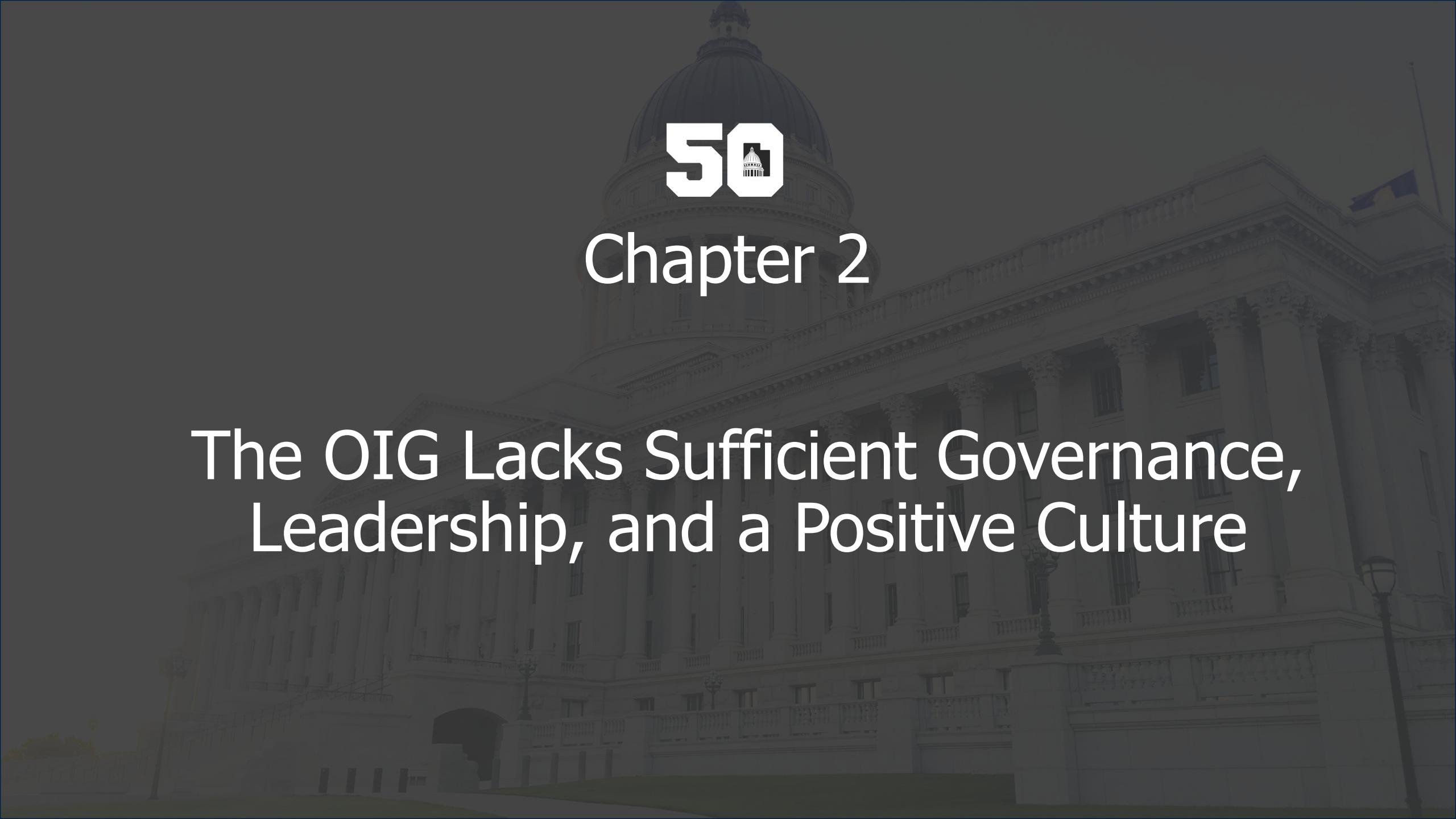
Utah's ACOs manage \$1.4 Billion, or 28 percent, of Utah's Medicaid expenditures

**\$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

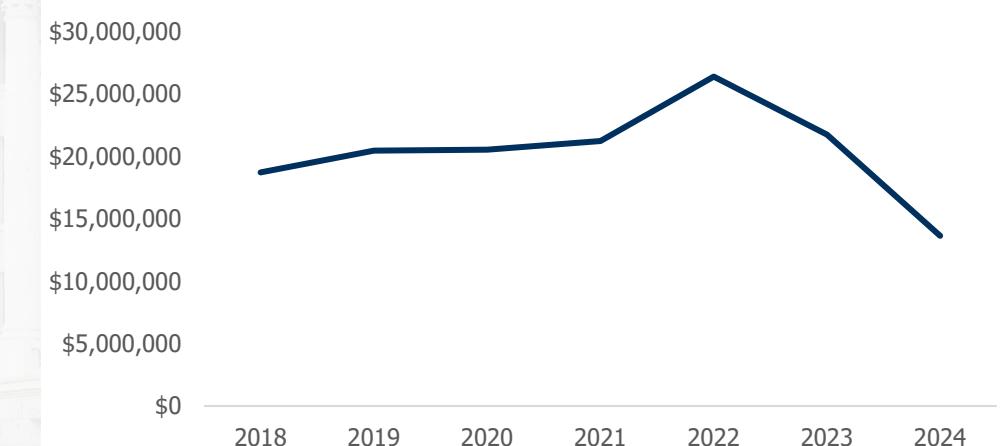
The OIG Lacks Sufficient Governance,  
Leadership, and a Positive Culture

# 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

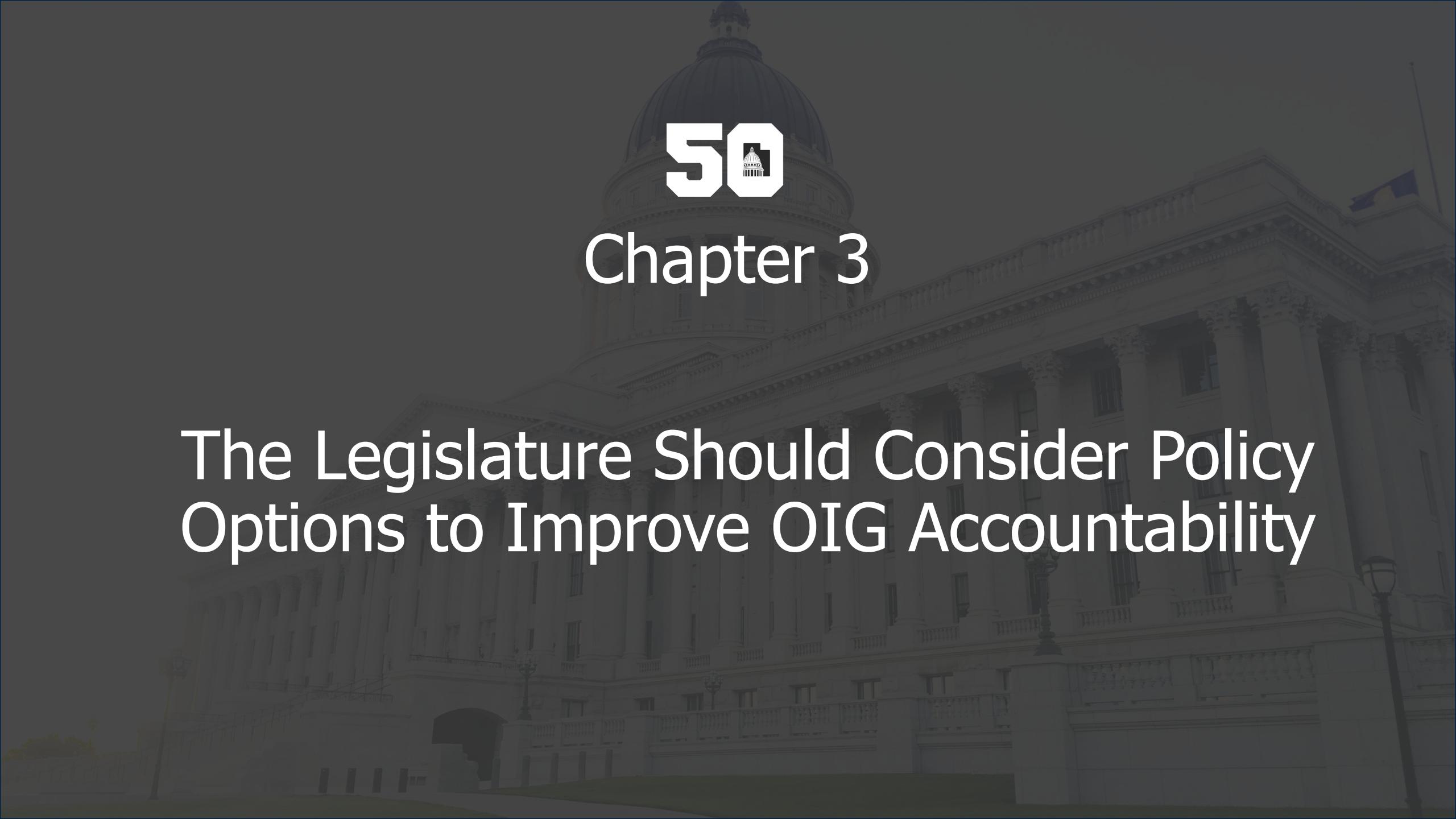


Number of Data Pulls (Required by Statute)



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	Option 2: Keep PI in OIG, Move Audit to Established Office	Option 3: Dissolve OIG, Move PI and Audit to Separate Offices	Most Change
<p><b>Option 1:</b> Keep PI &amp; Audit in OIG, Change Governance</p> <ul style="list-style-type: none"><li>• The Legislature can create an oversight board <b>OR</b></li><li>• Require the OIG report to an existing entity (i.e. Governor's cabinet or the Attorney General)</li></ul>	<p><b>Option 2:</b> Keep PI in OIG, Move Audit to Established Office</p> <ul style="list-style-type: none"><li>• Program Integrity stays as the sole OIG function</li></ul>	<p><b>Option 3:</b> Dissolve OIG, Move PI and Audit to Separate Offices</p> <ul style="list-style-type: none"><li>• Program Integrity moves to DHHS (independent of Medicaid)</li></ul>	





# Questions?

THE MISSION OF THE LEGISLATIVE AUDITOR GENERAL IS TO  
**AUDIT · LEAD · ACHIEVE**  
WE HELP ORGANIZATIONS IMPROVE