

REPORT HIGHLIGHTS



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Some Medicaid Managed Care Plans Made Few or No Referrals of Potential Provider Fraud

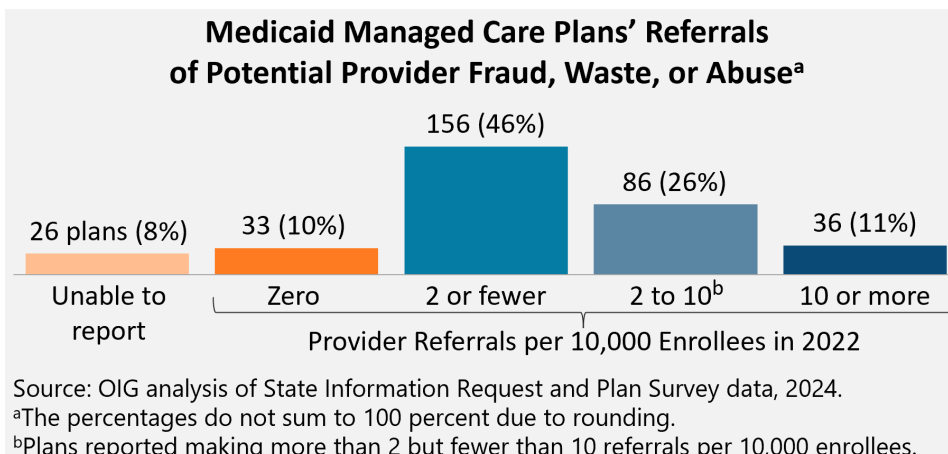
Why OIG Did This Review

- Fraud, waste, and abuse in the Medicaid program deplete critical resources and may cause physical, emotional, and financial harm to enrollees.
- Medicaid managed care plans are required to identify and refer potential fraud, waste, or abuse—including provider fraud—to the State and/or Medicaid Fraud Control Unit (MFCU) for further investigation and enforcement.
- [CMS](#) and [HHS-OIG](#) have cited concerns about plans' efforts to combat fraud, including a lack of fraud referrals and few incentives to produce them.

What OIG Found

Ten percent of plans reported that they did not make any referrals of potential provider fraud, waste, or abuse in 2022. Combined, these plans covered 1.6 million enrollees and received \$8 billion in payments from 13 States.

Of the plans that reported making provider referrals in 2022, more than half made 2 or fewer referrals per 10,000 enrollees.



Plans that received training from the State or MFCU on the fraud referral process made more provider referrals. However, only half of plans reported that they received such training.

Plans with fraud referral staff dedicated solely to that Medicaid plan made more provider referrals than plans with staff working across programs. However, 78 percent of plans reported that their fraud referral staff shared program integrity responsibilities across programs (e.g., another health care line of business).

What OIG Recommends

CMS should (1) follow up with States that had Medicaid managed care plans with no referrals of potential provider fraud, waste, or abuse in 2022, and (2) encourage States to increase the number of Medicaid managed care plans that have received State-led training on the fraud referral process.

For the first recommendation, CMS did not explicitly concur or nonconcur but indicated that it has undertaken and plans to continue such follow-up. CMS concurred with the second recommendation.