



DEPARTMENT OF HEALTH AND HUMAN SERVICES  
**OFFICE OF INSPECTOR GENERAL**

WASHINGTON, DC 20201



July 1, 2026

Attorney General Todd Rokita  
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Indianapolis, IN 46204

Director Matthew Whitmire  
Indiana Medicaid Fraud Control Unit  
Office of the Attorney General  
8720 Castle Creek Parkway East Drive  
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Indianapolis, IN 46250

Dear Attorney General Rokita and Director Whitmire:

American taxpayers provide nearly half a billion dollars every year to State governments to fund State Medicaid Fraud Control Units (MFCUs or Units), which are obligated by Federal law to use that money to effectively fight Medicaid fraud and protect patients from abuse and neglect. Indiana receives approximately \$8.9 million per year from American taxpayers for these purposes. Given this substantial investment in the Indiana MFCU, American taxpayers and the Federal Government expect the Unit and the Indiana Attorney General to use the millions of Federal dollars to effectively fight Medicaid fraud and protect Medicaid patients from abuse and neglect.

In FY 2025, the Indiana MFCU continued to deliver meaningful results for individuals enrolled in Medicaid and taxpayers, demonstrating both strong investigative capacity and a consistent record of impactful enforcement outcomes.

The Department of Health and Human Services, Office of Inspector General (OIG) has reviewed the Unit's 2026 recertification information and determined that the Unit continues to demonstrate a strong commitment to its mission and a solid record of effectiveness across key functional areas. While no Unit is without opportunities for improvement, your Unit has shown that it uses Federal funds responsibly, pursues fraud and patient abuse and neglect cases diligently, and maintains operational practices befitting a high-performing MFCU. In particular, Indiana's accomplishments—including high case outcomes, effective use of data analytics, successful prosecutions across a wide range of provider types, and sustained collaboration with Federal and State partners—underscore the Unit's continued commitment to safeguarding the Indiana Medicaid program and the people it serves.

OIG takes seriously its responsibility to ensure that the Units receiving these Federal funds are fulfilling the MFCU mission effectively. As part of that responsibility, OIG evaluates each Unit's performance, operational capacity, investigative outcomes, and overall adherence to

statutory and regulatory requirements. This oversight is essential to maintaining public trust and ensuring that every MFCU contributes meaningfully to the broader fight against fraud, waste, and abuse within the Medicaid program.

OIG recertifies the Indiana MFCU beginning on July 1, 2026. This letter serves as written notice and explanation of OIG’s findings on which the approval is based (42 CFR § 1007.17(d)).

### **Statutory and Regulatory Background**

The Social Security Act (SSA) requires each State to demonstrate that it operates a MFCU that effectively carries out its statutory functions and responsibilities (SSA §§ 1902(a)(61) and 1903(q)). OIG, through delegations from the Secretary of Health and Human Services, is responsible for annually recertifying and funding each Unit (SSA §§ 1903(a)(6), (b)(3), and (q); 44 Fed. Reg. 47809, 47811 (Aug. 15, 1979)). To continue receiving Federal funding, a Unit must be certified. Under SSA §§ 1903(a)(6) and (q) and 42 CFR § 1007.19(d)(1), Federal funding is allowable only if a Unit has been certified and recertified annually by OIG.

OIG may approve or deny a Unit’s annual recertification application and must provide written explanation for denials (42 CFR § 1007.17(d)(2)). When making recertification determinations, OIG evaluates whether the Unit has demonstrated that it effectively carries out the functions and requirements described in SSA § 1903(q), as implemented by 42 CFR part 1007. In making these determinations, OIG reviews the information described in 42 CFR §§ 1007.17(a) and (b) and considers the factors in 42 CFR § 1007.17(c).

OIG may impose special conditions or restrictions and may require corrective action, as provided in 2 CFR § 200.208, before approving a reapplication for recertification (42 CFR § 1007.17(d)(1)).

### **Basis for Approving Recertification**

OIG approves the Unit’s recertification for 1 year. OIG evaluated whether the Unit demonstrated that it effectively carries out its statutory functions and responsibilities as required by SSA §§ 1902(a)(61) and 1903(q) and implemented in 42 CFR part 1007. OIG considered the following factors and information and determined that the Unit is effectively carrying out its statutory functions and requirements and is complying with the terms and conditions of the MFCU grant.

### **Findings Under Each of the Five Certification Factors in 1007.17(c)(1)-(5)**

1. Compliance With Regulations (42 CFR § 1007.17(c)(1)): The Indiana MFCU generally complied with applicable laws and regulations.

2. Compliance With Policy Transmittals (42 CFR § 1007.17(c)(2)): The Indiana MFCU generally complied with OIG policy transmittals.

3. Adherence to Performance Standards (42 CFR § 1007.17(c)(3)): OIG has determined that the Indiana MFCU is adhering to the MFCU Performance Standards as published in the *Federal Register* (89 Fed. Reg. 76431, September 2024). OIG assesses a Unit’s adherence to all

performance standards when assessing recertification of MFCUs. To explain the results of that assessment, OIG provides the following information as examples of the Unit's adherence under four of those performance standards.

- Performance Standard 2—Staffing:

The Indiana MFCU employs a total number of professional staff commensurate with the State's total Medicaid program expenditures. The MFCU employed 56 of its 62 allotted staff positions at the end of FY 2025. OIG's analysis predicts a staff of 40 based on Indiana Medicaid expenditures of \$20.5 billion.

- Performance Standard 4—Referrals:

The MFCU regularly meets with the State Medicaid Program Integrity Unit (PIU), managed care organizations (MCOs), and other referral sources. However, the Unit receives few fraud referrals from the PIU and MCOs. It only received 12 MCO referrals and 2 PIU referrals in FY 2025. There is room for improvement. For example, the Memorandum of Understanding between the Unit and the PIU only requires credible allegations of fraud to be sent, which may impact the referral numbers. The regulations at 42 CFR 455.21(a)(1) require PIUs to refer all suspected fraud allegations to MFCUs. Suspected fraud allegations typically have a broader scope than credible allegations of fraud.

- Performance Standard 5—Case Progression:

The Indiana MFCU effectively makes progress on its cases. Supervisors are required to review cases at least every 90 days. Ten percent (91 of 922) of the Unit's cases have been open for more than 3 years.

- Performance Standard 8—Cooperation:

According to its FY 2025 recertification information, OIG's Office of Investigations (OI) reported investigating eight joint cases with the Unit and noted that OI and the MFCU meet together as needed. However, in its FY 2025 recertification information, the Indiana MFCU reported a minimal working relationship with OI and the Southern District United States Attorney's Office. We encourage the MFCU to meet regularly with OI and its Federal partners to improve its cooperation and coordination with OIG and other Federal agencies.

4. Effectiveness Investigating and Prosecuting Fraud (42 CFR § 1007.17(c)(4)): The Indiana MFCU is using its resources effectively to investigate cases of possible fraud in the administration of the Medicaid program, the provision of medical assistance, or the activities of providers of medical assistance under the State Medicaid plan, as well as to prosecute cases or cooperate with the prosecuting authorities. Among the factors that OIG has considered in assessing the Unit's effectiveness in investigating and prosecuting fraud are the Unit's case outcomes as reported in the annual statistical report and how the Unit compares to similar-sized MFCUs.

The Indiana MFCU reported 108 fraud convictions for FYs 2023–2025, which ranks Indiana’s MFCU second out of 10 similarly situated Units. Additionally, for FY 2025, the Indiana MFCU reported 633 fraud investigations, 38 fraud indictments, 19 civil settlements and judgments, and total monetary recoveries of more than \$144.6 million.

5. Effectiveness Investigating and Prosecuting Patient Abuse and Neglect (42 CFR § 1007.17(c)(5)): The Indiana MFCU is using its resources effectively to review and investigate, refer for investigation or prosecution, or criminally prosecute complaints alleging abuse or neglect of patients or residents in health care facilities receiving payments under the State Medicaid plan and, at the Unit’s option, in board and care facilities. Among the factors that OIG has considered in assessing the Unit’s effectiveness in investigating and prosecuting patient abuse and neglect are the Unit’s case outcomes as reported in the annual statistical report and how the Unit compares to similar-sized MFCUs.

In FYs 2023–2025, the Indiana MFCU reported 20 convictions related to patient abuse and neglect, which ranks the Indiana MFCU fourth out of 10 similarly situated Units. Additionally, in FY 2025, the Indiana MFCU reported 318 investigations and 4 indictments related to patient abuse and neglect.

The Indiana MFCU has achieved significant success and demonstrates the beneficial impact a high-performing MFCU can have for taxpayers and for those served by the Indiana Medicaid program. For any successful organization to remain high performing it must address issues before they become problems that impede performance. In that spirit, OIG encourages the Indiana MFCU to assess its low number of referrals from certain sources and to regularly engage with OIG so our partnership can be a more effective tool in the fight against fraud.

Thank you for your continued commitment to our shared mission to combat fraud and protect individuals served by Medicaid from harm. If you have any questions regarding your Unit’s recertification, please call me at (202) 619-3148.

Sincerely,



T. March Bell  
Inspector General