



DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF INSPECTOR GENERAL

WASHINGTON, DC 20201



July 1, 2026

Attorney General James Uthmeier
State of Florida, Office of the Attorney General
PL-01, The Capitol
Tallahassee, FL 32399-1050

Director Kathleen Von Hoene
Florida Medicaid Fraud Control Unit
Office of the Attorney General
PL- 01, The Capitol
Tallahassee, FL 32399-1050

Dear Attorney General Uthmeier and Director Von Hoene:

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. Florida receives approximately \$22.7 million per year from American taxpayers for these purposes. Given this substantial investment in the Florida MFCU, American taxpayers and the Federal Government expect the Unit and the Florida Attorney General to use the millions of Federal dollars to effectively fight Medicaid fraud and protect Medicaid patients from abuse and neglect.

The Department of Health and Human Services, Office of Inspector General (OIG) is conditionally recertifying the Florida MFCU, subject to the special conditions described in this letter. This action reflects OIG's recognition of the Unit's performance and its obligation to ensure that every MFCU operates effectively, uses Federal funds appropriately, and consistently delivers results that protect the integrity of the Medicaid program. Although the Florida MFCU has taken steps to address challenges that may impede its effectiveness, the Unit must take additional action to improve its performance for certain operational and investigative areas. Additional improvement is necessary to ensure compliance with Federal requirements and to ensure that the Unit operates at the standard taxpayers expect. Certain weaknesses persist, particularly in areas essential to the Unit's statutory responsibilities, such as staffing and referrals.

OIG conducted an onsite inspection of the Florida MFCU in June 2025 ([*Florida Medicaid Fraud Control Unit: 2025 Inspection*](#) (June 2026)) (hereafter referred to as the "2025 onsite inspection report"). OIG's inspection covered the 3-year period of FYs 2022–2024. In that review, OIG identified certain weaknesses involving the quality of referrals, reporting adverse actions, and establishing minimum training hours that must be addressed to ensure that the Unit is effectively fighting fraud and patient abuse and neglect.

OIG takes seriously its responsibility to ensure that 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 is conditionally recertifying the Florida MFCU beginning July 1, 2026, subject to the special condition described below. This letter serves as written notice and explanation of OIG's determination to conditionally recertify the Unit with a special condition (42 CFR § 1007.17(d)(1)).

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 Conditionally Recertifying With a Special Condition

OIG conditionally recertifies the Unit subject to a special condition. 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 the Unit did not always adhere to the MFCU performance standards or comply with applicable requirements.

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 Florida MFCU generally complied with applicable laws and regulations.

However, OIG found in the 2025 onsite inspection that the Unit did not report all adverse actions to the National Practitioner Data Bank (NPDB), as required by Federal regulations and

Performance Standard 8. Reporting adverse actions to NPDB helps protect patients and health care programs. The NPDB restricts the ability of health care practitioners to move from State to State without disclosure or discovery of prior adverse actions, such as a conviction or civil judgment.

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

3. Adherence to Performance Standards (42 CFR § 1007.17(c)(3)): OIG has determined that the Florida MFCU is not 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 and Performance Standard 12—Training:

The Florida MFCU employs a total number of professional staff commensurate with the State's total Medicaid program expenditures. OIG analysis predicts the MFCU to have 63 staff based on Florida Medicaid expenditures of \$39.3 billion.

OIG identified other staffing issues with the Florida MFCU, but the Unit took steps to address these issues. In FY 2025, the Florida MFCU was approved for 159 staff positions, and it had 137 positions filled. During FYs 2022–2024, the Unit had an average vacancy rate of approximately 14 percent and experienced turnover across all professional disciplines. Unit management attributed the vacancies and turnover to low salaries (particularly for attorneys, auditors, and analysts), retirements, return to in-person work after the COVID-19 pandemic, and other personal reasons. In the 2025 onsite inspection, OIG found that the Unit took action to fill the vacancies and avoid operational disruption, including providing salary increases for certain professional disciplines, such as attorneys, which helped with recruitment and retention.

Consistent with Performance Standard 12, OIG found in the 2025 onsite inspection that the Unit had a specific training plan for most of its staff. The Unit also cross-trained staff on certain operational functions to ensure continuity of operations in the event of staff turnover. However, the Unit did not establish in its training policies minimum annual training hour requirements for certain types of investigators.

- Performance Standard 4—Referrals:

In FY 2025, the Florida MFCU received 277 fraud referrals from managed care organizations (MCOs) and 12 fraud referrals from the State Medicaid Program Integrity Unit (PIU). In the Florida MFCU's recertification information, both the Unit and the PIU report they are working to increase the number of PIU referrals made to the Unit. The Unit also reported receiving poor quality fraud referrals from MCOs, which was attributed to a requirement that

the MCOs send fraud referrals within 5 days of detection. The Unit is taking steps to improve the quality of the referrals, such as establishing referral templates for the MCOs.

During OIG's 2025 onsite inspection, the Unit reported that nearly all of its patient abuse and neglect referrals were not viable. During FYs 2022–2024, the Unit received 12,674 referrals of patient abuse or neglect. Of those total patient abuse and neglect referrals, nearly all (12,541 of 12,674) came from one State agency. The Unit only opened an investigation for 3 percent of the referrals from that State agency (381 of 12,541). The Unit is taking steps to improve the quality of referrals from this one State agency and reduce the large volume of nonviable patient abuse and neglect referrals that the Unit receives.

The Unit also reported receiving poor quality referrals from MCOs, which was attributed to a requirement that the MCOs send fraud referrals within 5 days of detection. The Unit is taking steps to improve the quality of the referrals, such as establishing referral templates for the MCOs.

- Performance Standard 5—Case Progression:

The Florida MFCU is effectively managing its case progression. The Unit takes steps to maintain reasonable case progression with appropriate timeframes, including quarterly case reviews conducted by the Region Bureau Chief or Region Captain. The Florida MFCU has consistently maintained a large, sustained caseload of open fraud cases. Approximately 37 percent (227 of 613) of the Unit's cases have been open for more than 3 years. During the 2025 onsite inspection, OIG identified no significant delays in the investigations or prosecutions.

- Performance Standard 8—Cooperation:

The Florida MFCU has a significant number of joint investigations with OIG's Office of Investigations and maintains an excellent working relationship. The relationship was particularly strong in Southern Florida, where the Unit participated in the Medicare Fraud Strike Force.

However, during OIG's 2025 onsite inspection, OIG determined that the Unit did not report 26 of its 180 adverse actions (14 percent) to the NPDB within the required timeframe. Federal regulations require that any adverse actions against health care providers (e.g., convictions, civil judgments) be reported to the NPDB within 30 calendar days of the final adverse action date. The Unit had similar challenges based on OIG's 2015 onsite inspection, but OIG observed that the Unit's reporting rate has improved. The Unit needs to take steps to ensure that it reports all adverse actions to the NPDB within the required timeframe.

4. Effectiveness Investigating and Prosecuting Fraud (42 CFR § 1007.17(c)(4)): The Florida 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 with similar-sized peers.

The Florida MFCU reported a total of 153 fraud convictions for FYs 2023–2025, which ranks the Florida MFCU third out of five similarly situated Units. Additionally, in FY 2025, the Florida MFCU reported 546 fraud investigations, 35 fraud indictments, 17 civil settlements and judgments, and total monetary recoveries of more than \$107 million.

5. Effectiveness Investigating and Prosecuting Patient Abuse and Neglect (42 CFR § 1007.17(c)(5)): The Florida 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 with similar-sized MFCUs.

In FYs 2023–2025, the Florida MFCU reported a total of 33 convictions related to patient abuse and neglect, which ranks the Florida MFCU second out of five similarly situated Units. Additionally, in FY 2025, the Florida MFCU reported 106 investigations and 12 indictments related to patient abuse and neglect.

Effect of Conditional Recertification With a Special Condition

OIG is granting conditional recertification subject to a special condition. To remove the special condition and be recertified, the Unit must take corrective action as detailed in the Enclosure.

Upon successful completion of the corrective action, OIG will remove the special condition. Should the Florida MFCU fail to take the required action, OIG may pursue additional certification actions or financial remedies, as necessary (see 42 CFR § 1007.17 and 2 CFR § 200.339).

If you have any questions regarding your Unit's conditional recertification, please call me at (202) 619-3148.

Sincerely,



T. March Bell
Inspector General

Enclosure: Special Condition for Corrective Action

OIG imposes the following special condition on the Florida MFCU Federal grant. The Florida MFCU must take corrective actions to come into compliance with the MFCU performance standards (42 CFR § 1007.17(c)(3)). By 6 months from the date of this letter, the Unit should provide OIG with additional information to demonstrate progress toward implementing these recommendations or documentation to demonstrate the recommendation has been implemented. Upon OIG's determination that the Unit has taken the actions necessary, OIG will remove the special condition and recertify the Unit. Below is an initial corrective action. OIG will continue to work with the Florida MFCU to identify all actions necessary for it to meet its obligations under the law.

Implement Recommendations

The Florida MFCU must implement the three recommendations in the 2025 onsite inspection report, which are:

- Build upon its efforts to improve the quality of referrals from its primary referral sources.
- Ensure that it reports all adverse actions to the NPDB within the required timeframe.
- Update its training plan to include minimum training hour requirements for each professional discipline.