

LIMITED-SCOPE AUDIT PROPOSAL

Reviewing Outcomes of the Office of the Medicaid Inspector General's Investigations

SOURCE

This audit proposal was requested by Senator Pat Pettey.

BACKGROUND

The Office of the Medicaid Inspector General (OMIG) oversees the state's Medicaid, MediKan, and Children's Health Insurance programs. The OMIG has been an independent division of the Attorney General's Office since 2017. Prior to that, the OMIG was part of the Kansas Department of Health and Environment, where it had been unstaffed since November 2014. The OMIG resumed functioning in 2019 following the nomination and confirmation of a Medicaid inspector general. The current Medicaid inspector general has served since April 2021. The OMIG had 10 staff in 2024.

According to state law, the OMIG's purpose is to increase the accountability, integrity, and oversight of these programs through audit, investigation, and performance review. According to legislative testimony from 2024, the OMIG has identified almost \$300 million in wasteful spending, \$6.3 million in overpayments, and \$24.9 million in potential savings. The OMIG also reported having opened 186 investigations. As of February 2025, 7 cases had been referred for prosecution and 1 resulted in a diversion agreement. Many investigations are ongoing.

Legislators have expressed an interest in learning how much money the OMIG has saved the state and how many of its investigations have resulted in prosecution.

AUDIT OBJECTIVES AND TENTATIVE METHODOLOGY

The audit objective listed below is the question we would answer through our audit work. The steps listed for the objective convey the type of work we would do. These may change as we learn more about the audit issues.

Objective 1: How much state general funds has the state recovered due to the direct work of the Office of the Medicaid Inspector General and how many of the office's investigations have resulted in a prosecution? Our tentative methodology would include the following:

- Talk to OMIG officials to learn about the work they do and to understand the data and other documentation they have available about the status and outcomes of their investigations, including amounts of state funds recouped.
- Review OMIG data and documentation from work done in calendar years 2021 through 2024 to determine how much money the state recouped due to OMIG findings or implemented recommendations.

- Work with OMIG officials to determine how many cases they investigated and how many cases they referred for prosecution between 2021 and 2024 and what the status of each referral is.

ESTIMATED RESOURCES

We estimate this audit would take **100 staff hours** to complete.