



# GOPB – OFFICE OF INSPECTOR GENERAL OF MEDICAID SERVICES (OIG)

EXECUTIVE OFFICES & CRIMINAL JUSTICE APPROPRIATIONS SUBCOMMITTEE  
STAFF: ZACKERY KING

BUDGET BRIEF

## SUMMARY

The functions of the inspector general relative to the state Medicaid program include a broad range of activities aimed at preventing fraud, waste, and abuse of state and federal Medicaid funds. This is accomplished by inspecting, monitoring, and auditing 1) the usage of federal and state Medicaid funds 2) agencies and programs for compliance with state and federal requirements, and 3) recordkeeping procedures and record maintenance. In addition, the inspector general of Medicaid is charged with the recovery of improperly paid Medicaid funds.

For further background information about the OIG, please refer to the issue brief titled “Office of Inspector General of Medicaid services;” this brief highlights FY 2011 accomplishments for the office and explains the OIG’s \$138,000 building block request for the 2012 General Session.

## ISSUES AND RECOMMENDATIONS

### Budget adoption

For the OIG, the Fiscal Analyst recommends a FY 2013 budget of \$2,632,500 as shown in the budget detail table on page 2.

### Intent Language

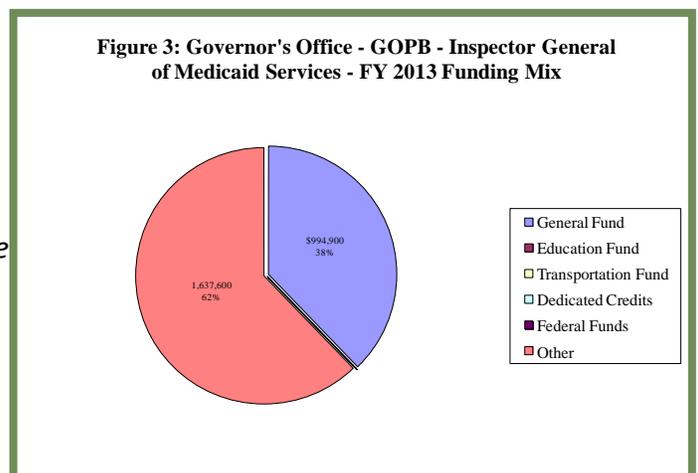
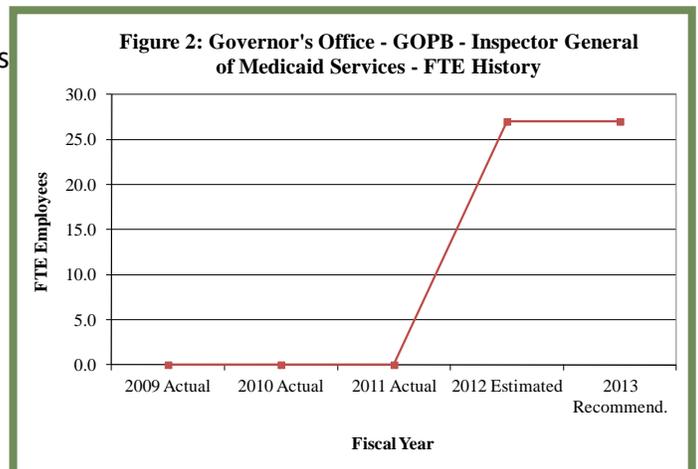
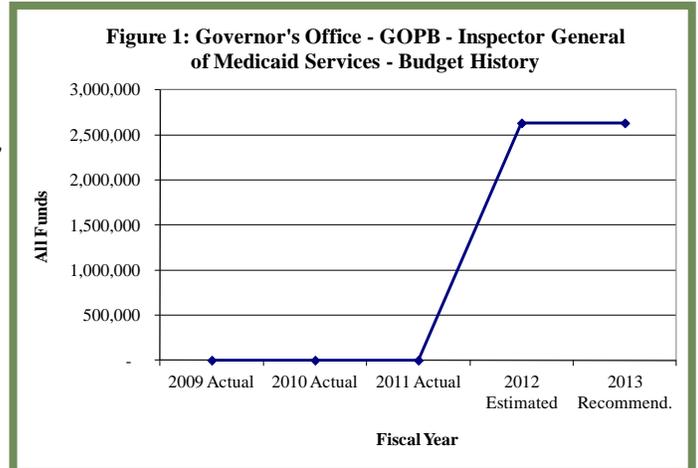
The Analyst recommends the following intent language to Make OIG’s FY 2012 unexpended appropriations nonlapsing at the end of FY 2012:

*Under section 63J-1-603 of the Utah Code, the Legislature intends that appropriations provided for the Governor’s Office of Planning and Budget/Office of Inspector General Medicaid, in chapter 5, Laws of Utah 2011, not lapse at the close of Fiscal Year 2012.*

### Governor’s Recommendations

#### FY 2013

1. Nursing and Health Specialists (Office of Inspector General – Medicaid) – \$138,000 ongoing General Fund.
2. Percent Recovery (Office of Inspector General – Medicaid) - \$300,000 ongoing transfer



FY 2012

1. Percent Recovery (Office of Inspector General – Medicaid) - \$300,000 one-time transfer

Note (Percent Recovery): The Centers for Medicare and Medicaid (CMS) are requiring an increase in audit output by 40 percent beginning FY 2013. This \$300,000 request will allow the OIG to retain 3%, up to a maximum of \$300,000, to be used for improvement of the Office’s Fraud, Waste, and Abuse tools as well as the necessary training to apply them. The money from this request comes from the savings produced by locating fraud, waste, and abuse in Utah’s Medicaid System.

**BUDGET DETAIL**

House Bill 84, 2011 General Session, created the Office of Inspector General of Medicaid Services within the Governor's Office of Planning and Budget. The bill carried its own appropriation to transfer \$2,632,500 (\$994,900 General Fund) from the Department of Health to finance the new office's operations. FY 2012 is the first fiscal year of operations for the OIG-Medicaid.

**BUDGET DETAIL TABLE**

Governor's Office - GOPB - Inspector General of Medicaid Services						
	FY 2011 Actual	FY 2012 Appropriated	Changes	FY 2012 Revised	Changes	FY 2013* Recommended
<b>Sources of Finance</b>						
General Fund	0	994,900	0	994,900	0	994,900
Federal Funds	0	1,556,100	(1,556,100)	0	0	0
Transfers - Medicaid	0	81,500	1,556,100	1,637,600	0	1,637,600
<b>Total</b>	<b>\$0</b>	<b>\$2,632,500</b>	<b>\$0</b>	<b>\$2,632,500</b>	<b>\$0</b>	<b>\$2,632,500</b>
<b>Programs</b>						
Inspector General of Medicaid Services	0	2,632,500	0	2,632,500	0	2,632,500
<b>Total</b>	<b>\$0</b>	<b>\$2,632,500</b>	<b>\$0</b>	<b>\$2,632,500</b>	<b>\$0</b>	<b>\$2,632,500</b>
<b>Categories of Expenditure</b>						
Personnel Services	0	2,495,400	(148,700)	2,346,700	87,200	2,433,900
In-state Travel	0	10,000	24,000	34,000	(3,500)	30,500
Current Expense	0	92,000	49,000	141,000	(33,700)	107,300
DP Current Expense	0	35,100	25,700	60,800	0	60,800
DP Capital Outlay	0	0	50,000	50,000	(50,000)	0
<b>Total</b>	<b>\$0</b>	<b>\$2,632,500</b>	<b>\$0</b>	<b>\$2,632,500</b>	<b>\$0</b>	<b>\$2,632,500</b>

\*Does not include amounts in excess of subcommittee's state fund allocation that may be recommended by the Fiscal Analyst.

**SUMMARY OF RECOMMENDATIONS**

The Fiscal Analyst recommends the Legislature:

1. Adopt the the FY 2013 Recommended budget of \$2,632,500 as shown in the budget detail table.
2. Approve the intent language on page 1.