

Department of Health and Human Services
Office of Inspector General



Office of Audit Services

November 2024 | A-07-23-03257

**Utah Generally Operated Its
Medicaid Estate Recovery Program
in Accordance With Requirements
and in a Cost Effective Manner, but
Utah Did Not Have Formal Written
Procedures**



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Why OIG Did This Audit

- All States are required to have a Medicaid Estate Recovery Program (MERP) that seeks, from the estates of deceased Medicaid enrollees who were 55 years old and older when they received medical assistance, reimbursement for certain Medicaid costs such as long-term care (e.g., nursing homes).
- As part of its oversight activities, OIG is auditing Medicaid estate recovery to determine whether States are operating their MERPs in accordance with requirements and the extent to which States' MERPs were cost effective.
- This audit examined whether: (1) Utah operated its MERP in accordance with Federal and State requirements and (2) Utah's MERP was cost effective.

What OIG Found

Utah generally operated its MERP in accordance with Federal and State requirements in that it performed required estate recovery procedures for 85 of the 100 deceased Medicaid enrollees in our stratified random sample.

- Our audit also identified 15 enrollee cases for which, because of an absence of supporting documentation, we could not determine whether Utah performed any estate recovery procedures.
- We also identified 3 enrollee cases that Utah had opened between 12 and 14 years before the start of our audit, but for which the State had not performed any periodic monitoring.

The deficiencies that we identified occurred because Utah did not have formal written policies and procedures for its estate recovery program, and because Utah's estate recovery system edits did not always work as intended.

We also concluded that Utah's MERP was cost effective.

What OIG Recommends

We made three procedural recommendations to Utah for the improvement of its estate recovery program, including that it establish formal written estate recovery policies and procedures, to include policies and procedures regarding documentation; that it implement formal procedures to periodically review open cases; and that it verify that system edits are functioning properly and improve those edits as necessary, and verify that caseworkers perform and document all applicable estate recovery procedures. The full recommendations are in the report.

Utah concurred with all of our recommendations and described corrective actions that it had taken and planned to take to address them.

TABLE OF CONTENTS

INTRODUCTION.....	1
Why We Did This Audit.....	1
Objectives.....	1
Background.....	1
Medicaid Program.....	1
Medicaid Estate Recovery Program Federal Requirements.....	1
Utah Medicaid Program and Estate Recovery.....	2
How We Conducted This Audit.....	3
FINDINGS.....	4
The State Agency Generally Operated Its Medicaid Estate Recovery Program in Accordance With Federal and State Requirements.....	5
No Deficiencies Identified for Estate Recovery Cases That the State Agency Actively Pursued.....	5
Some Deficiencies Identified for Estate Recovery Cases That the State Agency Did Not Actively Pursue.....	5
Periodic Monitoring Not Performed for Some Estate Recovery Cases.....	7
Deceased Medicaid Enrollees Outside of Our Sampling Frame Who Appeared To Be Subject to Estate Recovery but for Whom the State Agency Did Not Perform Estate Recovery Procedures.....	7
The State Agency’s Medicaid Estate Recovery Program Was Cost Effective.....	8
The State Agency Did Not Have Formal Written Estate Recovery Procedures and Its Estate Recovery System Edits Did Not Always Work as Intended.....	8
Reduced Recoveries May Have Resulted Because the State Agency Did Not Always Perform Estate Recovery Procedures.....	8
RECOMMENDATIONS.....	8
STATE AGENCY COMMENTS AND OFFICE OF INSPECTOR GENERAL RESPONSE.....	9

APPENDICES

A: Audit Scope and Methodology 10

B: Statistical Sampling Methodology 12

C: Sample Results and Estimates 14

D: Deficiencies for Each Sampled Deceased Medicaid Enrollee..... 15

E: State Agency Comments..... 18

INTRODUCTION

WHY WE DID THIS AUDIT

All States are required to have a Medicaid Estate Recovery Program (MERP) that seeks, from the estates of deceased Medicaid enrollees who were 55 years old and older when they received medical assistance, reimbursement for certain costs associated with long-term care, home and community-based services (HCBS), and related hospital services and prescription drugs.¹ States also have the option of seeking recovery for other claims for items or services as provided under their State plans. As part of its oversight activities, the Office of Inspector General (OIG) is auditing Medicaid estate recovery to determine whether States are operating their MERPs in accordance with requirements and the extent to which States' MERPs were cost effective. We selected Utah as the second State in a series of planned MERP audits.²

OBJECTIVES

The objectives of our audit were to determine whether: (1) the Utah Department of Health and Human Services (State agency) operated its MERP in accordance with Federal and State requirements and (2) the State agency's MERP was cost effective.

BACKGROUND

Medicaid Program

The Medicaid program provides medical assistance to low-income individuals and individuals with disabilities. The Federal and State Governments jointly fund and administer the Medicaid program. At the Federal level, the Centers for Medicare & Medicaid Services (CMS) administers the program. Each State administers its Medicaid program in accordance with a CMS-approved State plan. Although the State has considerable flexibility in designing and operating its Medicaid program, it must comply with applicable Federal requirements.

Medicaid Estate Recovery Program Federal Requirements

Section 1917(a)(1)(B) of the Social Security Act (the Act) permits States to file liens, subject to certain exceptions, on real property owned by a Medicaid enrollee who is an inpatient of a nursing facility, intermediate care facility for the developmentally disabled, or other medical institutions, where the individual is receiving Medicaid coverage for the institutional services where certain other conditions apply.

¹ For this audit, estates are generally defined as including all real and personal property and any other assets in which the deceased Medicaid enrollee had any legal interest or title at the time of or immediately before death.

² We previously issued report [A-07-22-03254](#), *Kansas's Medicaid Estate Recovery Program Was Cost Effective, but Kansas Did Not Always Follow Its Procedures, Which Could Have Resulted in Reduced Recoveries*, issued March 12, 2024.

Under section 1917(b)(1)(A) of the Act, States are required to seek recovery, for Medicaid enrollees whose real property may be subject to a lien authorized under section 1917(a)(1)(B), from the estates of such individuals for amounts equal to the medical assistance correctly paid on their behalf. Under section 1917(b)(1)(B) of the Act, States must also seek recovery, for Medicaid enrollees who were 55 years old and older when they received medical assistance, from the estates of such individuals for amounts at least equal to medical assistance paid on their behalf for nursing facility services, HCBS, and related hospital and prescription drug services, or, at the State's option, for any other items and services under the State plan (with the exception of Medicare cost-sharing, a provision that is not relevant to this audit or this report).

Under section 1917(a)(2) of the Act, States may not recover from the estate of a deceased Medicaid enrollee who is survived by a spouse, child under age 21, child of any age who is blind or disabled, or a sibling who has equity in the home and has resided at the home for a period of at least 1 year before the deceased Medicaid enrollee's admission to the medical institution. In addition, section 1917(b)(3)(A) of the Act requires States to establish procedures for waiving estate recovery when recovery would cause an undue hardship.

Utah Medicaid Program and Estate Recovery

The State agency's Office of Recovery Services is responsible for the administration of the MERP in Utah. As part of the estate recovery process, the State agency is authorized to file liens against deceased Medicaid enrollees' real property and is authorized to file a claim with the probate court for the amount of medical assistance provided. The State agency receives the names of deceased Medicaid enrollees from the Utah Department of Workforce Services (Medicaid Eligibility agency), the State agency's Office of Vital Records and Statistics, or directly from enrollee family members or other parties. The State agency maintains an online estate recovery system and uses it to document its estate recovery cases. State agency caseworkers who administer the MERP carry out a number of tasks associated with the estates of deceased Medicaid enrollees. These tasks include determining, for each deceased enrollee, the amount of Medicaid paid claims, determining whether the enrollee had a surviving spouse or child(ren), and researching the deceased enrollee's assets.

Under the procedures in place during our audit period, when the State agency opens an estate recovery case, that case remains open until a State agency caseworker manually closes it. Unlike some other States, Utah's State agency handles all MERP-related actions and does not delegate any responsibilities to an outside contractor.³

³ As discussed in our previous report (footnote 2), the State of Kansas delegated some legal and administrative responsibilities to an outside contractor.

HOW WE CONDUCTED THIS AUDIT

Our audit covered deceased Medicaid enrollees whose estates were subject to estate recovery by the State agency during our audit period (State fiscal years (SFYs) 2021 through 2023 (July 1, 2020, through June 30, 2023)). We used both the estate recovery data from the State agency and Medicaid claims and enrollee data from CMS's Transformed Medicaid Statistical Information System to perform our work.⁴

We used the estate recovery data provided by the State agency to define the 11,552 deceased Medicaid enrollees for whom the State agency had opened an estate recovery case. The 11,552 deceased Medicaid enrollees thus constituted our sampling frame, from which we selected a stratified random sample of 100 deceased Medicaid enrollees.⁵ Of these, 30 enrollees had estate recovery cases that the State agency actively pursued and 70 enrollees had estate recovery cases that the State agency did not actively pursue. The State agency provided us with documentation for each deceased Medicaid enrollee's estate recovery case, which we then reviewed to determine whether the State agency's adjudication of the case was in accordance with Federal and State requirements and was adequately supported.

In addition, we used Medicaid data to identify deceased Utah Medicaid enrollees whose estates appeared to be subject to estate recovery during our audit period. We compared that list to the deceased Medicaid enrollees for whom the State agency had opened an estate recovery case to determine whether the State agency pursued estate recovery for all of the identified enrollees.

To evaluate the cost effectiveness of the State agency's MERP, we obtained the State agency's estate recovery operating costs for the audit period and subtracted that amount from the total estate recovery amount for the same timeframe, to determine whether the State agency recovered more than it spent on the program. We also determined whether the State agency reported those recovery amounts to the Federal Government.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

⁴ This system's primary purpose is to establish an accurate, current, and comprehensive database of standardized enrollment, eligibility, and paid claims data about Medicaid enrollees, which CMS uses to administer Medicaid at the Federal level and which assists in detecting fraud, waste, and abuse in Medicaid. We refer to these data as "Medicaid data" throughout the report.

⁵ We stratified our sample by Medicaid enrollees who had estate recovery cases that were actively pursued by the State agency (stratum 1) and by enrollees who had estate recovery cases that were not actively pursued by the State agency (stratum 2). Appendix B contains additional details on our statistical sampling methodology.

Appendix A contains details of our audit scope and methodology, Appendix B contains our statistical sampling methodology, Appendix C contains our sample results and estimates, and Appendix D contains a list of the deficiencies for each sampled deceased Medicaid enrollee.

FINDINGS

The State agency generally operated its MERP in accordance with Federal and State requirements in that it performed estate recovery procedures for most of the deceased Medicaid enrollees that we reviewed. Specifically, for the 30 sampled deceased Medicaid enrollees with estate recovery cases that the State agency actively pursued, we did not find any deficiencies. For the other 70 sampled deceased Medicaid enrollees with estate recovery cases that the State agency did not actively pursue, we identified 15 enrollee cases for which, because of an absence of supporting documentation in the associated case files, we could not determine whether the State agency performed any estate recovery procedures. Thus, of the 100 deceased Medicaid enrollees in our stratified random sample (footnote 5), the State agency correctly performed estate recovery procedures for 85 sampled enrollees.

On the basis of our sample results, we estimate that the number of deceased Medicaid enrollees with deficient estate recovery cases in our sampling frame was 2,026 (17.5 percent).

In addition, we identified three estate recovery cases that the State agency had classified as open but for which the State agency had not performed any periodic monitoring. The State agency had opened these cases between 12 and 14 years before the start of our audit.

Furthermore, we identified 281 deceased Utah Medicaid enrollees outside of our sampling frame who appeared to be subject to estate recovery and for whom, because of the absence of supporting documentation in the associated case files, we could not determine whether the State agency performed estate recovery procedures. The State agency could not locate any documentation regarding these enrollees.

With respect to our second objective, during our audit period the State agency's MERP collected approximately \$23 million in estate recoveries while spending less than \$1 million in State agency salaries and other operating costs to operate the program. In addition, we verified that the State agency was correctly reporting its estate recoveries to the Federal Government. Therefore, we concluded that the State agency's MERP was cost effective.

The deficiencies that we identified occurred because the State agency did not have formal written policies and procedures for its estate recovery program. Additionally, the State agency's estate recovery system edits, which were designed to alert caseworkers of estate cases that required action, did not always work as intended.

The fact that the State agency did not always perform estate recovery procedures may have prevented it from thoroughly pursuing estate recovery for all deceased Medicaid enrollees; consequently, the State agency may not have executed some asset recoveries. Although we

acknowledge that not all estate recovery cases will or should lead to asset recoveries, it is important for the State agency to pursue estate recovery for all deceased Medicaid enrollees consistently, in accordance with Federal and State requirements, and in accordance with its own procedures.

THE STATE AGENCY GENERALLY OPERATED ITS MEDICAID ESTATE RECOVERY PROGRAM IN ACCORDANCE WITH FEDERAL AND STATE REQUIREMENTS

No Deficiencies Identified for Estate Recovery Cases That the State Agency Actively Pursued

Of the 11,552 deceased Medicaid enrollees in our sampling frame, 2,099 enrollees (approximately 18 percent) had estate recovery cases that the State agency actively pursued (footnote 5). We randomly selected 30 of these deceased Medicaid enrollees for our sample and found no deficiencies during our review of their estate recovery cases. Table 1 lists the types of action taken by the State agency while pursuing estate recovery for these cases.

Table 1: State Agency Action Taken on 30 Estate Recovery Cases

State Agency Action Taken	Number of Deceased Medicaid Enrollee Cases
Case was closed after full or partial recovery was made	7
Case was closed for being unenforceable (because of a disabled child, surviving spouse, etc.)	5
Case was closed for having no recoverable assets	4
Case remained open and had an outstanding lien or probate case	14

For example, for one deceased Medicaid enrollee (sample number 2), the State agency opened an estate recovery case 11 days after the enrollee’s date of death, identified Medicaid paid claims totaling \$43,280, and identified property with a market value of approximately \$305,000. The State agency contacted the enrollee’s estate within 2 months of the date of death and was able to make a full recovery from the estate in under 6 months. The State agency then released the lien and closed the case.

Some Deficiencies Identified for Estate Recovery Cases That the State Agency Did Not Actively Pursue

State Agency’s Informal Procedures for Estate Recovery

State Medicaid programs are required to seek recovery of payments from the enrollee estates for certain Medicaid services (the Act § 1917(b)(1)(B)).

The State agency did not have formal written policies and procedures for its estate recovery program; however, based on discussions with the State agency, we determined that the informal procedures that the State agency followed while performing estate recovery included the following steps:

- determining the amount of Medicaid claims that were subject to estate recovery;
- determining whether the enrollee had a surviving spouse or minor, blind, or disabled child;
- reviewing the Medicaid Eligibility agency's eligibility case for enrollee assets that were reported; and
- searching county records for enrollee property that was not reported to the Medicaid Eligibility agency.

No Documentation Available To Support That the State Agency Had Performed Estate Recovery Procedures for 15 of 70 Sampled Deceased Medicaid Enrollees

Of the 11,552 deceased Medicaid enrollees in our sampling frame, 9,453 enrollees (approximately 82 percent) had estate recovery cases that the State agency did not actively pursue. We randomly selected 70 of these deceased Medicaid enrollees for our sample. Our review of their estate recovery cases determined that the State agency correctly performed estate recovery procedures for 55 of these 70 deceased Medicaid enrollees. Our review also identified 15 enrollees (of the 70 in our stratified random sample) for whom, because of an absence of supporting documentation in the associated case files, we could not determine whether the State agency performed any estate recovery procedures. Specifically, the case files for these enrollees contained no case notes or other documentation to support that the State agency had performed those procedures. Appendix D, Table 5, lists (by sample number) all 100 deceased Medicaid enrollees in our sample and identifies which sampled enrollee cases did not have any supporting case documentation and which enrollee cases (as discussed further below) experienced long periods of inactivity.

Lack of Formal Policies and Procedures and Inadequate System Edits

These 15 deficiencies occurred because the State agency did not have formal written policies and procedures for its estate recovery program. Additionally, a State agency official said that the State agency's estate recovery system edits, which were designed to alert caseworkers of estate cases that required action, did not always work as intended.

On the basis of our sample results, we estimate that the number of deceased Medicaid enrollees with deficient estate recovery cases in our sampling frame was 2,026 (17.5 percent).

Periodic Monitoring Not Performed for Some Estate Recovery Cases

State Medicaid programs are required to seek recovery of payments from the enrollee estates for certain Medicaid services (the Act § 1917(b)(1)(B)). Based on discussions with the State agency, we determined that under the State agency's informal procedures, when the State agency opened an estate recovery case, it remained open indefinitely or until a State agency caseworker manually closed it. The State agency did not have any procedures for periodically monitoring open cases.

We identified three estate recovery cases that the State agency had opened between 12 and 14 years before the start of our audit, but which the State agency had not monitored periodically since then. Our analysis of the supporting documentation for these three cases determined that two of the cases remained open because of outstanding liens that had been filed against the enrollees' property. The State agency should have closed the other case because the deceased enrollee had a surviving spouse, but it did not do so.

By periodically monitoring open cases, the State agency can determine whether the cases are still relevant (e.g., assets are still available for recovery), and it can close any cases that no longer have unresolved issues or statuses.

Deceased Medicaid Enrollees Outside of Our Sampling Frame Who Appeared To Be Subject to Estate Recovery but for Whom the State Agency Did Not Perform Estate Recovery Procedures

State Medicaid programs are required to seek recovery of payments from the enrollee estates for certain Medicaid services (the Act § 1917(b)(1)(B)).

We describe the informal procedures that the State agency followed while performing estate recovery in "Some Deficiencies Identified for Estate Cases That the State Agency Did Not Actively Pursue" earlier in this report.

We identified deceased Medicaid enrollees outside of our sampling frame who appeared to be subject to estate recovery and for whom, because of the absence of supporting documentation in the associated case files, we could not determine whether the State agency performed estate recovery procedures. Specifically, we identified 281 enrollees who: (1) received Medicaid services that appeared to be subject to estate recovery and had Medicaid paid claims totaling \$3,000 or more,⁶ (2) had dates of death occurring during SFY 2021 through SFY 2023, (3) were at least 55 years old when they received services, and (4) did not match to the State agency's estate recovery data by Medicaid identification number or by name.

We provided the list of 281 deceased Medicaid enrollees to the State agency, which researched the list and acknowledged that it had not performed estate recovery procedures for any of

⁶ We excluded enrollees with Medicaid paid claims totaling less than \$3,000 because we followed the same audit methodology we used in our previous audit of Kansas's MERP (footnote 2).

these enrollees. The State agency could not locate any documentation regarding these enrollees. The State agency said that it did not know the exact reason why it had not identified these deceased Medicaid enrollees for estate recovery purposes, and added that it was in the process of investigating the cause of this oversight.

THE STATE AGENCY'S MEDICAID ESTATE RECOVERY PROGRAM WAS COST EFFECTIVE

During our audit period, the State agency's MERP collected approximately \$23 million in estate recoveries while spending less than \$1 million in State agency salaries and other operating costs to operate the program. In addition, we verified that the State agency was correctly reporting its estate recoveries to the Federal Government on the standard Form CMS-64, Quarterly Medicaid Statement of Expenditures for the Medical Assistance Program (Form CMS-64). Therefore, we concluded that the State agency's MERP was cost effective.

THE STATE AGENCY DID NOT HAVE FORMAL WRITTEN ESTATE RECOVERY PROCEDURES AND ITS ESTATE RECOVERY SYSTEM EDITS DID NOT ALWAYS WORK AS INTENDED

The deficiencies that we identified occurred because the State agency did not have formal written policies and procedures for its estate recovery program. Additionally, a State agency official said that the State agency's estate recovery system edits, which were designed to alert caseworkers when a specific action needed to be taken on an estate case, did not always work as intended.

REDUCED RECOVERIES MAY HAVE RESULTED BECAUSE THE STATE AGENCY DID NOT ALWAYS PERFORM ESTATE RECOVERY PROCEDURES

The fact that the State agency did not always perform estate recovery procedures may have prevented it from thoroughly pursuing estate recovery for all deceased Medicaid enrollees; consequently, the State may not have executed some asset recoveries. Although we acknowledge that not all estate recovery cases will or should lead to asset recoveries, it is important for the State agency to pursue estate recovery for all deceased Medicaid enrollees consistently, in accordance with Federal and State requirements, and in accordance with its own procedures.

RECOMMENDATIONS

We recommend that the Utah Department of Health and Human Services improve its estate recovery program by:

- establishing formal written estate recovery policies and procedures, to include policies and procedures regarding documentation to support its performance of estate recovery procedures for deceased Medicaid enrollees;

- implementing formal procedures to periodically review open cases and establish a timeframe for doing so; and
- verifying that system edits are functioning properly and improving those system edits as necessary, and by verifying that caseworkers perform and document all applicable estate recovery procedures (including determining the amount of Medicaid paid claims, determining whether the enrollee had a surviving spouse or child(ren), and performing asset research) for deceased Medicaid enrollees.

STATE AGENCY COMMENTS AND OFFICE OF INSPECTOR GENERAL RESPONSE

In written comments on our draft report, the State agency concurred with all of our recommendations and described corrective actions that it had taken and planned to take to address them. The State agency added that to assist and track its progress in implementing these actions, it planned to include all of our recommendations in its Results Based Accountability objectives for fiscal year 2025. In addition, the State agency specified an anticipated completion date of June 30, 2025, for all of the corrective actions, which we summarize below.

For our first recommendation, the State agency said that it had worked with the State of Utah’s Assistant Attorneys General to review all statutory and State plan requirements for the estate recovery program to establish formal written policies and procedures, including appropriate documentation and estate recovery measures for deceased Medicaid enrollees. For our second recommendation, the State agency said that it would work with estate recovery management and agents to implement formal procedures to periodically review open cases for followup, and added that written procedures would include appropriate timeframes and case management data to assist in identifying cases and creating monthly reports as a resource for agents.

For our third recommendation, the State agency said that in conjunction with the Medicaid Eligibility agency, it would: (1) “review the referral process and rules from beginning to end;” (2) ensure that all referrals are sent to the State agency and that a case with corresponding edits is created within its estate recovery system; (3) review its estate recovery system edits and corresponding reports for accuracy, thereby ensuring that cases are opened in a timely manner and that “agents have accurate reports as a resource to assist them in taking appropriate action;” (4) create a policy outlining the appropriate steps when reviewing an estate recovery case, to include at a minimum “amount of Medicaid paid claims, determining if there is a surviving spouse or child(ren) and asset research;” and (5) conduct monthly audits to ensure that referrals and edits are being reviewed and appropriate actions are being taken.

The State agency’s comments appear in their entirety as Appendix E.

We commend the State agency for the corrective actions that it said it had taken and planned to take to address our recommendations.

APPENDIX A: AUDIT SCOPE AND METHODOLOGY

SCOPE

Our audit covered deceased Medicaid enrollees whose estates were subject to estate recovery by the State agency during SFYs 2021 through 2023 (audit period). We used both the estate recovery data from the State agency and Medicaid claims and enrollee data from CMS's Transformed Medicaid Statistical Information System (footnote 4) to perform our work.

We used the estate recovery data provided by the State agency to define the 11,552 deceased Medicaid enrollees for whom the State agency had opened an estate recovery case. The 11,552 deceased Medicaid enrollees thus constituted our sampling frame, from which we selected a stratified random sample of 100 deceased Medicaid enrollees (Appendix B contains additional details on our statistical sampling methodology). The State agency provided us with documentation for each deceased Medicaid enrollee's estate recovery case, which we then reviewed to determine whether the State agency's adjudication of the case was in accordance with Federal and State requirements and was adequately supported.

In addition, we used Medicaid data to identify deceased Utah Medicaid enrollees whose estates appeared to be subject to estate recovery during our audit period. We compared that list to the deceased Medicaid enrollees for whom the State agency had opened an estate recovery case to determine whether the State agency pursued estate recovery for all of the identified enrollees.

To evaluate the cost effectiveness of the State agency's MERP, we obtained the State agency's estate recovery operating costs for the audit period and subtracted that amount from the total estate recovery amount for the same timeframe, to determine whether the State agency recovered more than it spent on the program. We also determined whether the State agency reported those recovery amounts to the Federal Government.

We assessed internal controls necessary to satisfy the audit objectives. In particular, we assessed the control activities related to the State agency's oversight of the MERP.

We conducted our audit work from September 2023 to September 2024.

METHODOLOGY

To accomplish our objectives, we:

- reviewed applicable Federal and State requirements and the Utah State plan;
- held discussions with officials from the State agency to gain an understanding of the State's estate recovery policies and procedures;

- obtained the estate recovery data from the State agency for our audit period;
- reconciled the State agency’s estate recovery data collection amounts to the amounts that it reported to the Federal Government on the Forms CMS-64 for our audit period, to determine whether the State agency accurately reported its recoveries;
- developed a sampling frame of 11,552 deceased Medicaid enrollees for whom the State agency had opened an estate recovery case;
- selected a stratified random sample of 100 deceased Medicaid enrollees from the sampling frame and reviewed supporting documentation for each enrollee to determine whether the State agency pursued estate recovery in accordance with its procedures;
- obtained, from CMS’s Transformed Medicaid Statistical Information System (footnote 4), Medicaid claims and enrollee data that included Utah Medicaid enrollees whose estates appeared to be subject to estate recovery, and who had dates of death occurring during SFY 2021 through SFY 2023, and compared that list to the deceased Medicaid enrollees for whom the State agency opened an estate recovery case to determine whether the State agency pursued estate recovery for all of the identified Medicaid enrollees;
- obtained the State agency’s estate recovery operating costs for the audit period and subtracted that amount from the total estate recovery amount from the same timeframe, to determine whether the State agency recovered more than it spent on the program; and
- discussed the results of our audit with State agency officials.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

APPENDIX B: STATISTICAL SAMPLING METHODOLOGY

SAMPLING FRAME

The sampling frame consisted of 11,552 deceased Medicaid enrollees for whom the State agency had opened an estate recovery case during SFYs 2021 through 2023—information that the State agency gave to us in an Excel spreadsheet.

SAMPLE UNIT

The sample unit was a deceased Medicaid enrollee.

SAMPLE DESIGN AND SAMPLE SIZE

We used a stratified random sample as follows:

Table 2: Division of Strata for Sample Design

Stratum	Description	Frame Size	Sample Size
1	Estate recovery cases that the State agency pursued, whether or not a recovery was made ⁷	2,099	30
2	Estate recovery cases that the State agency labeled as “Not Pursued” ⁸	9,453	70
Total		11,552	100

SOURCE OF RANDOM NUMBERS

We generated the random numbers using the OIG, Office of Audit Services, statistical software.

METHOD FOR SELECTING SAMPLE UNITS

We sorted the items in each stratum by enrollee Medicaid identification number in ascending order, and then consecutively numbered the items in each stratum in the sampling frame. After generating random numbers for strata 1 and 2 according to our sample design, we selected the corresponding frame items for review.

⁷ Stratum 1 included estate recovery cases that the State agency pursued and that resulted in: (1) a recovery, (2) no recovery, (3) a lien being filed, or (4) the State agency granting a deferral.

⁸ Stratum 2 included estate recovery cases that the State agency opened and that were then determined to have no assets to recover.

ESTIMATION METHODOLOGY

We used the OIG, OAS, statistical software to estimate the number and percentage of deceased Medicaid enrollees with deficient estate recovery cases in the sampling frame. We used this software to calculate the point estimate and a two-sided 90-percent confidence interval (Appendix C).

APPENDIX C: SAMPLE RESULTS AND ESTIMATES

Table 3: Sample Results

Stratum	Frame Size	Sample Size	Number of Deficient Estate Recovery Cases in the Sample
1	2,099	30	0
2	9,453	70	15
Total	11,552	100	15

Table 4: Estimated Number of Deceased Medicaid Enrollees With Deficient Estate Recovery Cases in the Sampling Frame

(Limits Calculated at the 90-Percent Confidence Level)

	Estimated Number of Deficient Estate Recovery Cases
Point estimate	2,026
Lower limit	1,260
Upper limit	2,791

APPENDIX D: DEFICIENCIES FOR EACH SAMPLED DECEASED MEDICAID ENROLLEE

Table 5: Deficiencies Identified for Each Deceased Medicaid Enrollee

Sample Number	Stratum	Estate Recovery Case Had No Supporting Documentation	Estate Recovery Case Was Inactive for 12 to 14 Years
1	1		
2	1		
3	1		
4	1		
5	1		
6	1		
7	1		
8	1		
9	1		
10	1		
11	1		
12	1		
13	1		
14	1		
15	1		
16	1		
17	1		
18	1		X
19	1		
20	1		
21	1		X
22	1		
23	1		
24	1		
25	1		
26	1		
27	1		
28	1		X
29	1		
30	1		
31	2	X	
32	2		
33	2		
34	2		

Sample Number	Stratum	Estate Recovery Case Had No Supporting Documentation	Estate Recovery Case Was Inactive for 12 to 14 Years
35	2	X	
36	2		
37	2	X	
38	2		
39	2		
40	2		
41	2	X	
42	2		
43	2		
44	2		
45	2		
46	2		
47	2	X	
48	2		
49	2		
50	2		
51	2		
52	2	X	
53	2	X	
54	2	X	
55	2	X	
56	2	X	
57	2		
58	2		
59	2		
60	2		
61	2		
62	2		
63	2		
64	2		
65	2		
66	2	X	
67	2		
68	2	X	
69	2		
70	2		
71	2		

Sample Number	Stratum	Estate Recovery Case Had No Supporting Documentation	Estate Recovery Case Was Inactive for 12 to 14 Years
72	2		
73	2		
74	2	X	
75	2		
76	2		
77	2		
78	2		
79	2		
80	2		
81	2		
82	2		
83	2	X	
84	2		
85	2		
86	2		
87	2		
88	2		
89	2		
90	2		
91	2		
92	2		
93	2		
94	2		
95	2		
96	2		
97	2		
98	2		
99	2		
100	2	X	
Totals		15	3



State of Utah

SPENCER J. COX
Governor

DEIDRE M. HENDERSON
Lieutenant Governor

Department of Health & Human Services

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October 25, 2024

James Korn
Regional Inspector General for Audit Services
Office of Audit Services, Region VII
1201 Walnut Street, Suite 1338
Kansas City, MO 64106

Dear Mr. Korn:

On behalf of the Utah Department of Health and Human Services (DHHS), thank you for the opportunity to respond to the audit titled *Utah Generally Operated Its Medicaid Estate Recovery Program in Accordance With Requirements and in a Cost Effective Manner, but Utah Did Not Have Formal Written Procedures (A-07-23-03257)*. I appreciate the effort and professionalism of you and your staff in this review. The final product reflects a significant effort and time of state staff collecting information for HHS OIG review, answering questions, and planning changes to improve the program. This audit and its responses will result in a better, more efficient program.

DHHS concurs with the recommendations in this report. DHHS is committed to the efficient and effective use of taxpayer funds and values the insight this report provides on areas that need improvement.

Sincerely,

Jennifer Strohecker (Oct 25, 2024 15:05 MDT)

Jennifer Strohecker, PharmD, BCPS
Medicaid Director
Director, Division of Integrated Healthcare

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Response to Recommendations

Recommendation 1

We recommend that the Utah Department of Health and Human Services improve its estate recovery program by establishing formal written estate recovery policies and procedures, to include policies and procedures regarding documentation to support its performance of estate recovery procedures for deceased Medicaid enrollees.

Department Response:

DHHS concurs with this recommendation. In conjunction with our Assistant Attorneys General, ORS is reviewing all statute and state plan requirements for the estate recovery program to establish formal written policies and procedures, including appropriate documentation and estate recovery measures for deceased Medicaid enrollees. In an effort to assist and track our progress, ORS has included this recommendation in our DHHS Results Based Accountability (RBA) objectives for fiscal year 2025. This objective is reviewed monthly and will track the progress of writing, reviewing, and implementing estate recovery policy and procedures to ensure it is completed timely.

Anticipated Completion Date: June 30, 2025

Recommendation 2

We recommend that the Utah Department of Health and Human Services improve its estate recovery program by implementing formal procedures to periodically review open cases and establish a timeframe for doing so.

Department Response:

DHHS concurs with this recommendation. ORS will work with estate recovery management and agents to implement formal procedures to periodically review open cases for follow up and further actions. Written procedures will include appropriate time frames and case management data in the Office of Recovery Services Information System (ORSIS) to assist in identifying cases for further follow up and creating monthly reports as a resource for agents. In an effort to assist and track our progress, ORS has included this recommendation in our DHHS Results Based Accountability (RBA) objectives for fiscal year 2025. This objective is reviewed and tracked monthly.

Anticipated Completion Date: June 30, 2025

Recommendation 3

We recommend that the Utah Department of Health and Human Services improve its estate recovery program by verifying that system edits are functioning properly and improving those system edits as necessary, and by verifying that caseworkers perform and document all applicable estate recovery procedures (including determining the amount of Medicaid paid claims, determining whether the enrollee had a surviving spouse or child(ren), and performing asset research) for deceased Medicaid enrollees.

Department Response:

HHS concurs with this recommendation. In conjunction with the Department of Workforce Services (DWS), the IV-A agency who has delegated authority to perform eligibility determinations, ORS will review our current programming and processes for estate recovery referrals. ORS will review the referral process and rules from beginning to end to ensure that all estate recovery referrals are sent to ORS and create an appropriate case and corresponding edits within ORSIS. ORS will review ORSIS system edits and supporting reports for accuracy, ensuring that cases opened in ORSIS are reviewed timely and agents have accurate reports as a resource to assist them in taking appropriate action. ORS will create a policy outlining the appropriate steps when reviewing an estate recovery case, to include at a minimum; amount of Medicaid paid claims, determining if there is a surviving spouse or child(ren) and asset research. Emphasis will be given on documenting all research and actions taken on a case. Finally ORS will conduct monthly audits to ensure referrals and edits are being reviewed and appropriate actions are taken. In an effort to assist and track our progress, ORS has included this recommendation in our DHHS Results Based Accountability (RBA) objectives for fiscal year 2025. This objective is reviewed and tracked monthly.

Anticipated Completion Date: June 30, 2025

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