



DEPARTMENT OF HEALTH AND HUMAN SERVICES

OFFICE OF INSPECTOR GENERAL

WASHINGTON, DC 20201



August 28, 2026

Attorney General Raúl Labrador
Office of the Attorney General State of Idaho
700 W. Jefferson Street, P.O. Box 83720
Office of the Attorney General
Boise, ID 83720-0010

Director Sam Camp
Medicaid Fraud Control Unit
Criminal Law Division
700 W. State Street, P.O. Box 83720
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Dear Attorney General Labrador and Director Camp:

On July 1, 2026, the Department of Health and Human Services, Office of Inspector General (OIG) conditionally recertified the Idaho Medicare Fraud Control Unit (MFCU or Unit) for 60 days, subject to three special conditions:

1. Ensure the Unit has its own contiguous space to be considered a single, identifiable entity
2. Address staffing deficiencies
3. Address referral deficiencies

OIG received your action plan to address these special conditions on July 31, 2026 (amended on August 3, 2026). As noted in the email correspondence on August 14, 2026, OIG has approved the action plan as submitted. Given that the action plan addresses the identified concerns and the fact that the Unit has already started to make progress implementing needed changes, OIG is conditionally recertifying the Idaho MFCU beginning on August 31, 2026. The Idaho MFCU is still subject to the special conditions concerning certain MFCU regulations (i.e., contiguous space), staffing, and referrals in OIG's July 1, 2026, letter.

This letter serves as written notice and explanation of OIG's determination to conditionally recertify the Unit with special conditions (42 CFR § 1007.17(d)(1); 2 CFR § 200.208(d)).

Basis for Conditionally Recertifying With Special Conditions

1. Compliance With Regulations (42 CFR § 1007.17(c)(1)).

The Idaho MFCU did not comply with 42 CFR § 1007.5(b)(3), which requires Units to have their own contiguous space to be considered a single, identifiable entity. Additionally, the Unit did not comply with 42 CFR § 1007.11(f), which requires Units to safeguard all beneficiaries' data, including information in their evidence rooms. At the time of recertification, the Idaho

Unit shared space, including an evidence room, with the Attorney General's Criminal Law Division.

In its July 1, 2026, letter, OIG imposed a special condition requiring the Unit to comply with 42 CFR § 1007.5(b)(3) and 42 CFR § 1007.11(f). OIG required the Unit to provide a plan that details how the Unit will ensure compliance with both regulations and a timeline for doing so.

In its action plan, the Idaho MFCU provided specific dates that it plans to move staff and files to ensure contiguous space for Unit operations. The Unit also provided a timeline for when it will have a locked segment of the evidence vault exclusively for MFCU use. The Unit's stated plan, if fully implemented, addresses the identified concerns.

2. Adherence to Performance Standards (42 CFR § 1007.17(c)(3)): OIG determined that the Idaho MFCU did not always adhere to the MFCU Performance Standards as published in the *Federal Register* (89 Fed. Reg. 76431, September 2024).

- Performance Standard 2—Staffing:

The Idaho MFCU did not employ a total number of professional staff commensurate with the State's total Medicaid program expenditures. At the time of OIG's assessment, the Unit employed 10 staff members. Based on Idaho Medicaid expenditures of \$4.1 billion in fiscal year (FY) 2025, OIG analysis predicted the Unit should have a staff of 13. OIG's Office of Investigations reported that the Unit needs more investigators. The Unit struggled with turnover, including a new director.

In its July 1, 2026, letter, OIG required the Unit to provide a staffing plan to OIG that details how the Unit will increase its staff. The staffing plan must specify the staff positions the Unit will add or fill, the targeted timeframe for onboarding each staff position, and the actions the Unit will take to meet its targeted timeframes.

Consistent with its action plan, the Idaho MFCU hired a director as of August 16, 2026, and a new investigator, with a start date of October 1, 2026. The MFCU reported that it plans to have a staff of 13 employees by hiring an additional three investigators, with the option of one of them being a nurse investigator. The Unit's stated plan, if fully implemented, addresses the identified concerns.

- Performance Standard 4—Referrals:

The Unit reported that it receives a low number of fraud referrals from managed care organizations (MCOs). The Unit reported that limits related to its authority pose barriers to receiving patient abuse and neglect referrals. The Unit does not have primary authority to investigate or prosecute these cases, and local law enforcement and prosecutors' offices have primary jurisdiction.

In its July 1, 2026, letter, OIG required the Unit to provide a root cause analysis of the low referrals and develop a plan that details the steps the Unit will take to increase its referrals.

The action plan must specify the referral entities with which the Unit will schedule regular meetings (at least monthly) and a description and targeted timeline for providing training or other information to the specified referral entities to encourage referrals.

The Idaho MFCU provided an action plan to address the systemic problems identified in the root cause analysis it conducted that uncovered multiple interrelated factors impacting referral volume. This plan notes the need for regular engagement with referral partners, targeted training and education, and strengthened interagency collaboration. The Unit began monthly meetings with the State Program Integrity Unit (PIU) and one MCO to increase referrals. The MFCU plans to schedule introductory meetings with the other three MCOs to encourage them to produce quality referrals. The MFCU also indicated that it will schedule meetings with multiple State agencies, licensing boards, local law enforcement agencies, elder advocacy groups, and other entities to spread awareness of the MFCU's mission and encourage referrals. Finally, the MFCU will evaluate the need for new legislation to address the MFCU's lack of jurisdiction to investigate and prosecute patient abuse or neglect. The Unit's stated plan, if fully implemented, addresses the identified concerns.

Assessing Unit Progress

A progress report that details the steps your Unit has taken to ensure compliance consistent with the Unit's action plan is due by August 31, 2026. OIG will further assess the Unit's implementation of its action plan during a planned onsite visit during the fall of 2026. This will allow the OIG to observe the steps taken by the Unit, gather a deeper understanding of the challenges to addressing deficiencies, and offer technical assistance to aid the Unit's efforts.

Removing Special Conditions and Achieving Recertification

To remove the special conditions and be recertified, the Unit must demonstrate significant progress toward addressing the deficiencies listed as special conditions. Specifically, the Unit must continue implementation of the corrective actions detailed in its action plan.

Upon successful completion of the corrective actions, OIG will remove the special conditions. If the Idaho MFCU fails 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