DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF INSPECTOR GENERAL
WASHINGTON, DC 20201

August 13, 2026

Interim Director Aaron D. Baack
Iowa Department of Inspections, Appeals,
and Licensing
6200 Park Avenue, Suite 100
Des Moines, Iowa 50321-1270

Director Jeremy Ingrim
Medicaid Fraud Control Unit
Iowa Department of Inspections, Appeals,
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6200 Park Avenue, Suite 100
Des Moines, Iowa 50321-1270

Dear Interim Director Baack and Director Ingrim:

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 or neglect. Iowa receives approximately $1.4 million per year from American taxpayers for these purposes. Given this substantial investment in the Iowa MFCU, American taxpayers and the Federal Government expect the Unit and the Iowa Department of Inspections, Appeals, and Licensing to use the millions of Federal dollars to effectively fight Medicaid fraud and protect Medicaid patients from abuse or neglect.

In fiscal year (FY) 2025, the Iowa MFCU continued to deliver meaningful results for individuals enrolled in Medicaid and for taxpayers, demonstrating both strong investigative capacity and a consistent record of impactful enforcement outcomes.

The Department of Health and Human Services, Office of Inspector General (OIG) has reviewed the Unit's 2026 recertification information and determined that the Unit continues to demonstrate a strong commitment to its mission and a solid record of effectiveness across key functional areas. Although no Unit is without opportunities for improvement, your Unit has shown that it uses Federal funds responsibly, pursues fraud and patient abuse or neglect cases diligently, and maintains operational practices befitting a high-performing MFCU. In particular, Iowa accomplishments—including high case outcomes, effective use of data analytics, successful prosecutions across a wide range of provider types, and sustained collaboration with Federal and State partners—underscore the Unit's continued commitment to safeguarding the Iowa Medicaid program and the people it serves.

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 recertifies the Iowa MFCU beginning on September 5, 2026. This letter serves as written notice and explanation of OIG's findings on which the approval is based (42 CFR § 1007.17(d)).

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 Approving Recertification

OIG approves the Unit's recertification for 1 year. 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 that the Unit is effectively carrying out its statutory functions and requirements and is complying with the terms and conditions of the MFCU grant.

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 Iowa MFCU generally complied with applicable laws and regulations.

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

3. Adherence to Performance Standards (42 CFR § 1007.17(c)(3)): OIG has determined that the Iowa MFCU is 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:

  The Iowa MFCU employs a total number of professional staff commensurate with the State's total Medicaid program expenditures. The MFCU employed 10 of its 11 allotted staff positions at the end of FY 2025. OIG's analysis predicts a staff size of 22, based on the size of Iowa's Medicaid program. The MFCU Director reports that he has sufficient staff to handle all referrals the MFCU receives, and the Unit has more investigators than is typical for a Unit of this size because it generally does not prosecute its own cases.

- Performance Standard 4—Referrals:

  The MFCU regularly meets with the State Medicaid Program Integrity Unit and managed care organizations. The Director of the Unit teaches at the Iowa Law Enforcement Academy on patient abuse by health care providers, which has become part of the standard curriculum for aspiring law enforcement officers, with the expectation of increasing referrals from local law enforcement.

- Performance Standard 5—Case Progression:

  The Iowa MFCU effectively makes progress on its cases. The Unit conducts quarterly case file reviews. The Unit reported that approximately 2 percent (4 of 204) of its cases have been open for more than 3 years. The MFCU has little control over the timeliness of prosecutions, as all cases are referred to District Attorneys, the United States Attorney's Office, or to State attorneys within other agencies.

- Performance Standard 8—Cooperation:

  According to its FY 2025 recertification information, OIG's Office of Investigations (OI) reported investigating 13 joint cases with the Unit. OI also noted that it has an excellent working relationship with the Unit and reports regular communication. For the review period, the MFCU submitted approximately 95 percent (35 of 37) of its convictions to OIG for the purpose of exclusion within 30 days.

4. Effectiveness Investigating and Prosecuting Fraud (42 CFR § 1007.17(c)(4)): The Iowa 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 MFCUs.

The Iowa MFCU reported 30 fraud convictions for FYs 2023–2025, which ranks Iowa's MFCU first out of 12 similarly situated Units. Additionally, for FY 2025, the Iowa MFCU reported 231 fraud investigations, 20 fraud indictments, 10 civil settlements and judgements, and total monetary recoveries of $2.4 million.

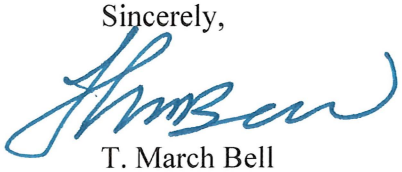
5. Effectiveness Investigating and Prosecuting Patient Abuse or Neglect (42 CFR § 1007.17(c)(5)): The Iowa MFCU is using its resources effectively to review and investigate, refer for investigation or prosecution, or criminally prosecute complaints alleging abuse or neglect of patients or residents in 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 or 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 Iowa MFCU reported 52 convictions related to patient abuse or neglect, which ranks Iowa first out of 12 similarly situated Units. Additionally, in FY 2025, the Iowa MFCU reported 44 investigations and 22 indictments related to patient abuse or neglect.

The Iowa MFCU has achieved significant success and demonstrates the beneficial impact a high-performing MFCU can have for taxpayers and for those served by the Iowa Medicaid program.

Thank you for your continued commitment to our shared mission to combat fraud and protect individuals served by Medicaid from harm. If you have any questions regarding your Unit's recertification, please call me at (202) 619-3148.

Sincerely,



T. March Bell
Inspector General