



DEPARTMENT OF HEALTH AND HUMAN SERVICES

OFFICE OF INSPECTOR GENERAL

WASHINGTON, DC 20201



September 30, 2026

Attorney General Aaron D. Ford
Office of the Nevada Attorney General
100 North Carson Street
Carson City, NV 89701

Director Andrew Schulke
Medicaid Fraud Control Unit
Office of the Nevada Attorney General
5175 South Durango Drive
Las Vegas, NV 89113-0158

Dear Attorney General Ford and Director Schulke:

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. Nevada receives approximately \$3.2 million per year from American taxpayers for these purposes. Given this substantial investment in the Nevada MFCU, American taxpayers and the Federal Government expect the Unit and the Nevada Attorney General 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 Nevada MFCU continued to deliver meaningful results for individuals enrolled in Medicaid and 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. While 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, Nevada's 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 Nevada 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 Nevada MFCU beginning on October 1, 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)).

Recertification Decision

OIG approves the Unit's recertification for 1 year.

Basis for Recertification Decision

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 Nevada MFCU generally complied with applicable laws and regulations.

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

3. Adherence to Performance Standards (42 CFR § 1007.17(c)(3)): OIG has determined that the Nevada MFCU is adhering to the MFCU Performance Standards as published in the *Federal*

Register (89 Fed. Reg. 76431, September 2024). OIG assessed the Unit's adherence to all performance standards based on the MFCU's recertification materials that cover July 1, 2025, through June 30, 2026 (the full year immediately before the quarter in which the Unit's recertification date falls) and annual statistical reporting covering Federal FYs 2023–2025.

- Performance Standard 2—Staffing:

The Nevada MFCU employs a total number of staff commensurate with the State's total Medicaid program expenditures. In its FY 2025 annual statistical report, the Unit reported that it had 20 approved staff positions and that all 20 of them were filled as of the end of FY 2025.

- Performance Standard 4—Referrals:

The Nevada MFCU received an adequate number of referrals from stakeholders in FY 2025. During FY 2025, the Unit reported receiving 51 fraud referrals from the State Medicaid Program Integrity Unit (PIU) and 29 fraud referrals from managed care organizations (MCOs). The MFCU attends monthly meetings with the PIU and quarterly meetings with both the PIU and MCOs.

- Performance Standard 5—Case Progression:

The Nevada MFCU appears to be making reasonable, timely progression on investigations. MFCU managers conduct supervisory case file reviews quarterly. Thirty-six percent (138 of 380) of the Unit's cases have been open for more than 3 years. However, the majority of these are joint multi-State and Federal cases, which may take longer to resolve than State-only cases.

- Performance Standard 8—Cooperation:

OIG's Office of Investigations (OI) reported an excellent working relationship with the Nevada MFCU, as well as 11 joint investigations with the Unit during the review period. The MFCU and OI jointly attend quarterly Health Care Fraud Task Force meetings and maintain regular communication.

4. Effectiveness Investigating and Prosecuting Fraud (42 CFR § 1007.17(c)(4)): The Nevada MFCU is using its resources effectively to investigate and prosecute cases of possible Medicaid provider fraud. 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.

For the past 3 fiscal years, the Nevada MFCU reported 75 fraud convictions, which ranks Nevada first out of 11 similar-sized Units. Additionally, for FY 2025, the Nevada MFCU reported 314 fraud investigations, 35 fraud convictions, 25 fraud indictments, 13 civil settlements and judgments, and total monetary recoveries of \$18.5 million.

5. Effectiveness Investigating and Prosecuting Patient Abuse or Neglect (42 CFR § 1007.17(c)(5)): The Nevada MFCU is using its resources effectively to investigate and 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.

For the past 3 fiscal years, the Nevada MFCU reported 5 patient abuse or neglect convictions, which ranks Nevada sixth out of 11 similar-sized Units. Additionally, in FY 2025, the Nevada MFCU reported 13 investigations, 1 conviction, and 2 indictments related to patient abuse or neglect.

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