



Audit of the U.S. Marshals Service's Prisoner
Medical Request and Medical Claim Review
Processes through its National Managed Care
Contract with Heritage Health Solutions, Inc.



AUDIT DIVISION

25-096

SEPTEMBER 2025



EXECUTIVE SUMMARY

Audit of the U.S. Marshals Service's Prisoner Medical Request and Medical Claim Review Processes through its National Managed Care Contract with Heritage Health Solutions, Inc.

Objectives

The U.S. Department of Justice Office of the Inspector General (OIG) conducted an audit of the U.S. Marshals Service (USMS) prisoner health care management processes, and the National Managed Care Contract (NMCC) awarded to Heritage Health Solutions, Inc. (Heritage). The objectives of this audit were to assess: (1) the USMS prisoner medical request and medical claim review processes through the USMS administration of the NMCC awarded to Heritage, and (2) Heritage's performance and compliance with the contract terms and conditions, laws, and regulations.

Results in Brief

The USMS should improve its management and oversight of its prisoner medical request and medical claim review processes to better ensure the approximately \$60 million spent annually on medical services for the over 50,000 prisoners in its custody is expended for medically necessary and properly authorized services. During the 15-month period covered by our review, we tested nearly 500 medical claims from 17 USMS district offices, totaling almost \$3.8 million, and identified significant inefficiencies in the decentralized, manual approach used for processing over 9,000 claims monthly. Further, district office personnel were inadequately trained and often perform this work as a secondary duty. These deficiencies resulted in over \$71,000 in questioned costs within the medical claims we tested.

We also found the USMS missed opportunities to control costs when providing dental services, which comprised approximately 10 percent of the total spent on medical services from our sampled population. Due to the absence of a negotiated schedule for dental service pricing, in most cases, the USMS paid the total amount billed by the provider instead of a negotiated fee. This led to variations in the amounts paid for the same or similar dental services. Further, we identified dental service discrepancies demonstrating the USMS's access to care for dental services may not be appropriate across the 95 districts, affecting cost and operational oversight.

Audit Results

The USMS is responsible for providing medical care for prisoners in its custody. The Prisoner Operations Division - Office of Medical Operations (POD-OMO) oversees the prisoner health care program including the prisoner medical request and medical claim review processes at the 95 USMS district offices. USMS district offices coordinate with the detention facilities when they require outside medical care for USMS prisoners in their custody.

In October 2017, the USMS awarded an indefinite delivery contract for a nationwide health care delivery system from fiscal year (FY) 2018 through FY 2027 to Heritage. As of September 2024, the USMS had spent nearly \$660 million over the first 7 years of this contract to provide health care (including pharmaceuticals) for USMS prisoners. The OIG previously issued the [*Evaluation of the U.S. Marshals Service's Pharmaceutical Drug Costs and Procurement Process*](#), Report 23-014 (December 2022); therefore, this audit did not review the approximate \$222 million spent under the contract during the same period on pharmaceutical services.

Prisoner Medical Request and Medical Claim Review Processes

To evaluate the USMS's management and oversight of the prisoner medical request and medical claim review processes, we sampled 494 medical claims totaling almost \$3.8 million. We identified significant deficiencies with those processes, including \$71,246 in questioned costs. As a result of our findings, POD-OMO initiated recoupment efforts for the \$71,246.

USMS Prisoner Health Care Management Policy

USMS Policy Directive 9.4, *Prisoner Health Care Management*, establishes the procedures and individual responsibilities for the submission of prisoner medical requests and the medical claim review process. We found that between November 2021 and July 2022, the USMS made

significant revisions to this policy that changed roles and responsibilities for POD-OMO and district office personnel. We identified communication gaps associated with these policy revisions, which may have contributed to some of the non-compliance by district office personnel that we identified during our audit.

Prisoner Medical Request Process

We found that USMS district office personnel did not consistently follow the prisoner medical request process. Of the 494 claims we sampled, which totaled about \$3.8 million, we identified 32 unsupported medical claims totaling \$37,416 that did not receive the required approval from POD-OMO, prior to payment. Further, district office personnel did not enter 64 emergency medical service submissions, totaling \$412,132, into Capture, the USMS's electronic prisoner management tracking system, as required. These lapses likely resulted from a lack of adequate training for district office personnel—including Deputy U.S. Marshals—who process prisoner medical requests as a secondary duty.

Further, although USMS policy requires POD-OMO preauthorization for all non-emergency prisoner medical requests, we identified 50 types of medical services that are automatically approved, including dental visits when the prisoner is experiencing active pain. In one district office, we found that a single dental practice had at least 133 automatic approvals paid over a 15-month period for 55 prisoners, indicating multiple visits per prisoner.

Medical Claim Review Process

Of the 494 claims (\$3.8 million) we reviewed, we also found 51 medical claims totaling \$33,830 where the USMS paid for unallowable services. Similar to the unsupported costs reported above, many of these discrepancies resulted from inadequately trained district office personnel performing the medical claim review process as a secondary duty. District office personnel performing the medical claim review process could benefit from specialized training due to the complexities of reviewing medical billing codes for accuracy and matching medical services to preauthorizations.

Need for a Modernization Strategy

The USMS's decentralized, manual approach to the prisoner medical request and medical claim review processes includes inefficiencies and opportunities for modernization. For example, currently, health care providers mail paper claims to the USMS district offices, which mail batches of the claims to Heritage for repricing. Once received, Heritage staff manually enter the claims into its systems for processing. On

average, Heritage processes over 9,000 claims monthly. The USMS should develop a strategy to streamline and modernize its processes, thereby providing the USMS greater ability to identify potentially problematic billings and payments before sending claims to Heritage.

USMS Administration of the NMCC

We reviewed USMS's administration, oversight, and monitoring of the NMCC with Heritage. We found that the USMS did not request rates for dental services (which do not have Medicare rates), in its solicitation for a NMCC. This lack of negotiated dental care pricing resulted in USMS district offices paying varying amounts to different providers for the same dental services.

Notably, we identified one district office where the USMS paid approximately \$861,698 for dental services over a period of 15 months, with \$800,628 billed by one dental practice. In this particular district, we also found that 31 percent of the prisoner population was seen multiple times by this dental practice, with 10 percent being seen 3 or more times within our sampled 15-month timeframe, potentially in violation of USMS policy.

Contractor Performance and Compliance

We evaluated five task performance measures outlined in the Performance Work Statement of the contract and did not identify any significant issues related to Heritage's performance of the related contract tasks.

Recommendations

Our report contains 13 recommendations to the USMS. The USMS concurred with our recommendations in response to a draft of this report, which can be found in Appendix 4. Heritage opted to not provide an official response to the draft of this report. Our analysis of the USMS response and actions needed to close the report can be found in Appendix 5.

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Introduction

The U.S. Marshals Service (USMS) is responsible for the safe and secure confinement, care, and transportation of federal prisoners from the time of court-ordered custody until case disposition. This important responsibility includes the provision of necessary medical care for an individual throughout the duration of the USMS's custody. Such medical services may be obtained through the use of in-house medical teams at a detention facility (when available) or through the use of private medical service providers.¹ Since 2007, the USMS has contracted with Heritage Health Solutions, Inc. (Heritage) to help manage the delivery of health care to USMS prisoners who require care outside of a detention facility, through its National Managed Care Contract (NMCC).²

USMS Prisoner Health Care Management

In fiscal year (FY) 2024, the USMS was responsible for providing medical care to approximately 55,864 prisoners in its custody.³ Notably, between FY 2018 and 2024, the yearly cost of providing outside medical services to USMS prisoners increased from \$41.1 million to \$61.8 million. During that same period, the USMS average yearly prisoner population ranged from approximately 55,179 in FY 2018 to 62,742 in FY 2021. While federal law allows USMS to pay for reasonable and medically necessary care for prisoners in its custody, the USMS is precluded from paying rates in excess of Medicare rates for outside prisoner medical services.⁴ These rising medical costs highlight the importance of careful management and oversight of USMS prisoner health care to ensure that federal funds are only expended for medically necessary and authorized services.

Prisoner Health Care Management Roles and Responsibilities

To fulfill its statutory duty of providing health care to prisoners in its custody, the USMS established Policy Directive 9.4, *Prisoner Health Care Management*, which outlines the procedures and responsibilities for ensuring such care. In general, USMS district office personnel directly coordinate with the detention facilities housing USMS prisoners in their district to ensure prisoners receive medically necessary health care.⁵ The Prisoner Operations Division - Office of Medical Operations (POD-OMO) at USMS headquarters manages the nationwide prisoner health care program through coordination with the USMS district offices to ensure its

¹ The USMS does not own or operate its own detention facilities. Instead, the USMS holds prisoners in its custody at Federal Bureau of Prisons (BOP) institutions, state or local facilities through the use of intergovernmental agreements, or contract detention facilities owned by private entities. In-house medical care provided by these facilities is generally not billable to the USMS and instead included in the agreed-upon rates for housing prisoners at the respective facility.

² Some detention facilities have in-house medical services; therefore, the care is provided by medical staff within the detention facility. This is generally limited to primary care.

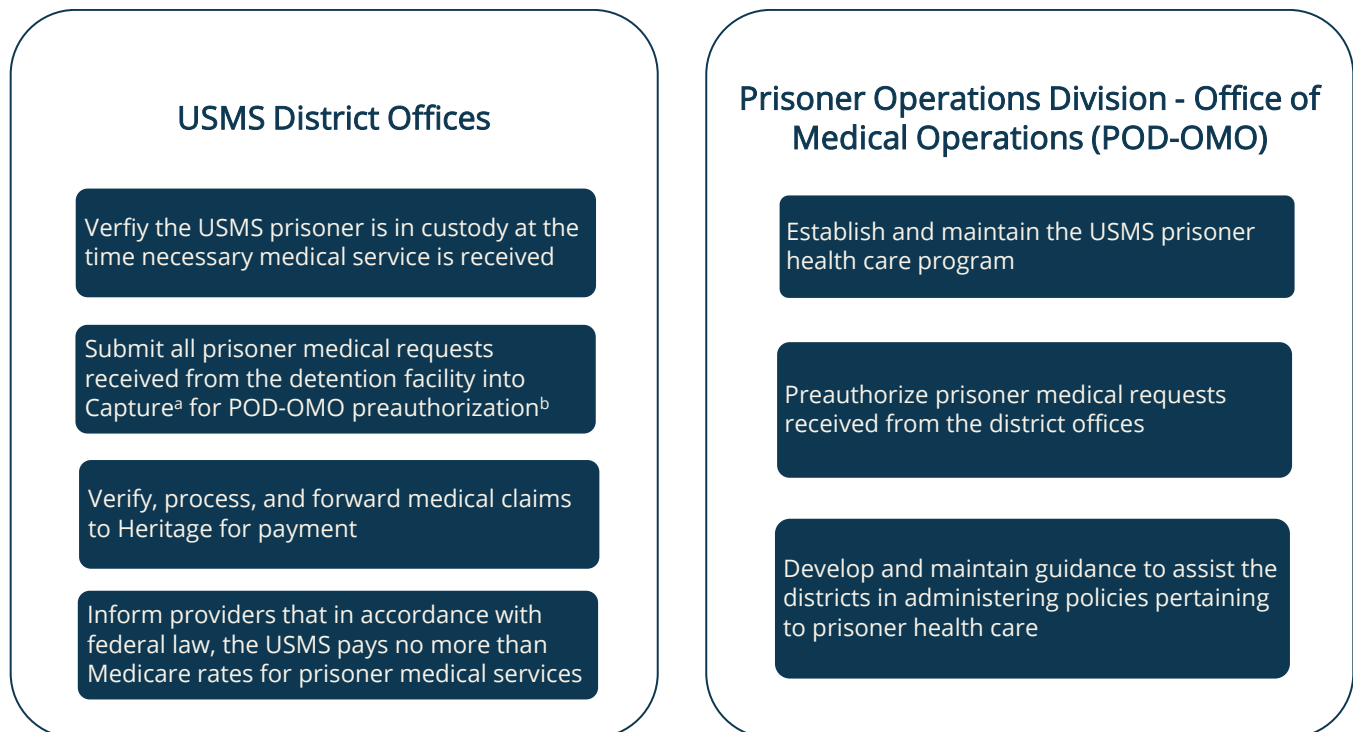
³ 18 U.S.C. § 4013 authorizes the Attorney General to make payments from appropriated funds for the support of U.S. prisoners in non-federal institutions, including medical care.

⁴ 18 U.S.C. § 4006 states that payment for medical services for individuals in the custody of the USMS shall be the amount billed, not to exceed the Medicare rate for health care items and services under the Medicare program. (For some medical services such as dental services, no Medicare rate exists and therefore the USMS must either pay the billed rate or negotiate an agreed-upon rate.)

⁵ The geographical structure of the USMS mirrors the 95 U.S. District Courts, which include at least one USMS district in each state, the District of Columbia, Puerto Rico, the Northern Mariana Islands, the Virgin Islands, and Guam.

health care policies and procedures are properly implemented. POD-OMO is also responsible for the administration and oversight of the NMCC with Heritage. USMS prisoner health care is administered through the prisoner medical request and medical claim review processes. Figure 1 below shows the specific roles and responsibilities of USMS district offices and POD-OMO.

Figure 1
Prisoner Medical Request and Medical Claim Review Responsibilities



^a Capture provides portal access for select law enforcement and correctional and physical security personnel who directly support the prisoner management and judicial security missions of the USMS. USMS district office personnel utilize the Prisoner Medical Management Module in Capture to validate USMS custody, enter prisoner medical requests, and review preauthorization from POD-OMO.

^b Emergency health care does not require preauthorization.

Source: OIG analysis of USMS information

National Managed Care Contract

To facilitate the delivery of health care to USMS prisoners, the USMS awarded the NMCC to Heritage in 2007 and again in 2017. According to its website, Heritage provides an integrated network of health care and pharmacy management services that improve patient care and reduce costs. Additionally, Heritage states that it contracts with several federal, state, and local partners, serves over 600 medical facilities, and provides payment for more than 300,000 prescriptions yearly saving over \$1 billion in health care-related costs to federal law enforcement and correctional entities.

Heritage Health Solutions, Inc.

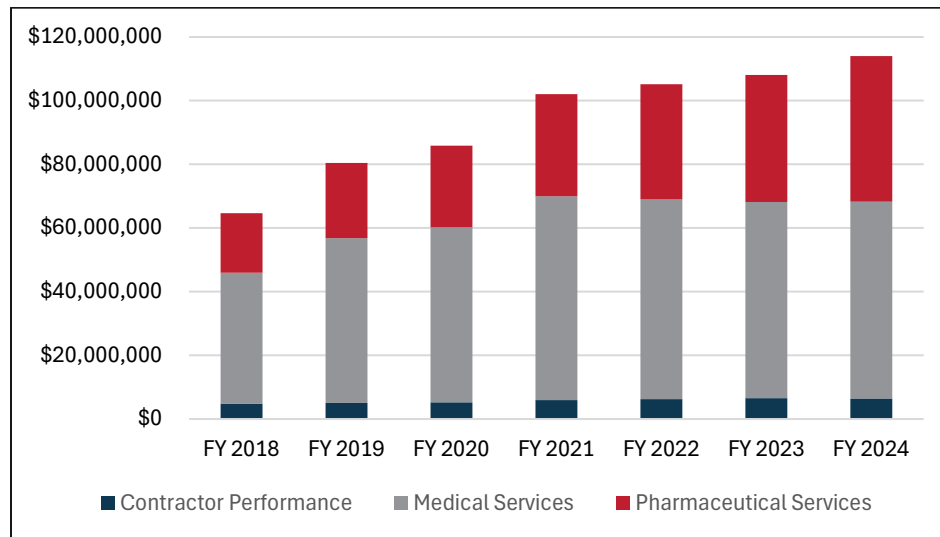
The NMCC requires Heritage to provide a nationwide health care delivery system for prisoners in USMS custody. The key elements of the contract require Heritage to:

- Establish a preferred provider network (PPN) that covers the detention facilities utilized by the USMS.⁶
- Establish a nationwide discounted pharmacy delivery and payment program.
- Ensure that all medical, dental, and non-network pharmacy claims are processed, repriced, and paid consistent with the provisions of 18 U.S.C. § 4006, as amended. Heritage reprices claims at the USMS allowable amount which is the lowest of the following: Medicare rate, the PPN rate, full billed charges, or another rate determined by the USMS. Heritage is reimbursed at the USMS allowable amount.
- Ensure customer service is provided to the USMS.
- Ensure that USMS data is securely maintained.
- Ensure that the USMS receives accurate and complete reporting data.

As noted above, Heritage was awarded the NMCC in 2017 with 1 base year and 9 option years, expiring in 2027. From October 2017 through September 2024, the USMS spent approximately \$398 million for medical services and \$222 million for pharmaceutical services under the NMCC with Heritage. Additionally, the USMS paid Heritage approximately \$40 million for its services. Figure 2 below summarizes the total health care expenditure of approximately \$660 million over 7 fiscal years.

⁶ A PPN is a type of managed care organization that offers a network of health care providers who have agreed to provide services at reduced rates.

Figure 2
Summary of the NMCC Payments to Heritage FY 2018 though FY 2024



Source: OIG analysis of Unified Financial Management System data

Although the amounts shown in Figure 2 include payments for pharmaceutical services, this audit focuses on payments for medical services and contractor performance only.⁷

OIG Audit Approach

The objectives of this audit were to assess: (1) the USMS prisoner medical request and medical claim review processes through the USMS administration of the NMCC awarded to Heritage; and (2) Heritage's performance and compliance with the contract terms and conditions, laws, and regulations. To address these objectives, we: (1) interviewed personnel from POD-OMO, three USMS district offices, and Heritage; (2) reviewed relevant regulations, policies, and procedures; and (3) analyzed the processing and payment of prisoner medical requests and claims. Additionally, we surveyed personnel from 91 of 95 USMS district offices to understand their roles and responsibilities in the prisoner health care process.⁸ We received responses from 75 USMS district office personnel responsible for the prisoner medical request process and 86 USMS district office personnel responsible for the medical claim review process. Appendix 1 contains further details on our audit objectives, scope, and methodology.

⁷ The OIG previously evaluated the USMS's pharmaceutical drug cost and procurement process executed between FY 2012 and FY 2020 and made three recommendations to improve the USMS's oversight of drugs purchased for its detainees. U.S. Department of Justice Office of the Inspector General, [Evaluation of the U.S. Marshals Service's Pharmaceutical Drug Costs and Procurement Process](#), Report 23-014 (December 2022). All recommendations have been closed. However, because we observed that the cost of pharmaceutical services under the contract over the period of this audit steadily increased, the OIG will consider in our future work planning further examination of USMS drug costs controls.

⁸ Four district offices were not included in our survey for various reasons, such as newly appointed personnel, or no responses received from the district.

Audit Results

The USMS should improve its management and oversight of its prisoner medical request and medical claim review processes to better ensure the approximately \$60 million spent annually on medical services for the more than 50,000 prisoners in its custody is expended for medically necessary and properly authorized services. Our testing of 494 medical claims totaling almost \$3.8 million from a sample of activity from 17 USMS district offices over a 15-month period identified significant inefficiencies in the decentralized, manual approach used for processing over 9,000 claims monthly. Specifically, the USMS generally uses an inefficient, paper-based process that involves batching and mailing invoices to Heritage for repricing and payment. Further, we found that many district office personnel—including Deputy U.S. Marshals—are responsible for critical phases of these processes but perform them as a secondary duty. Additionally, at the time of our audit, nearly 73 percent of those surveyed reported receiving no formal training on the prisoner medical request and claim review processes. From our testing, these deficiencies resulted in \$71,246 in questioned costs, for which POD-OMO initiated recoupment from the medical service providers.

In addition, we identified 50 medical services that do not need POD-OMO preauthorization, including dental visits for prisoners experiencing active pain and suffering. Instead, automatic approvals are provided to district offices for these services without sufficient oversight to ensure the services are medically necessary. For example, in one USMS district office we found 133 requests for dental services for 55 prisoners that were automatically approved for a single dental practice over a 15-month period. In many cases these prisoners were seen by this practice on multiple occasions, potentially in violation of USMS policy. Notably, we found that the USMS did not negotiate dental pricing with the dental providers and in most cases, paid the total amount billed. The lack of cost controls resulted in providers charging the USMS a wide range of prices for the same type of dental services.

Among other needed improvements cited throughout this report, the USMS should perform a complete assessment of its prisoner medical request and medical claim review processes and implement a formal strategy that seeks to centralize critical functions where appropriate and considers modernizing elements of these processes to ensure the most effective and efficient administration of this critical program.

Prisoner Medical Request and Medical Claim Review Processes

The USMS is required by law to ensure that those in its custody receive medically necessary services, including emergency health care. However, the USMS has no legal obligation to pay for unnecessary or unauthorized health care services. To help ensure that these standards are followed, POD-OMO is responsible for preauthorizing most non-emergency prisoner medical requests received through its district offices.⁹ Once medical services receive approval for payment, Heritage assists with the review of the claim

⁹ Although emergency medical requests do not require preauthorization, per USMS guidance, the detention facility should notify the relevant district office within 24 hours of any emergency services obtained. Upon such notification, USMS district offices are required to enter the submission into its Capture system for processing.

by repricing it at the USMS allowable amount and paying the provider. For “exception claims” without a preestablished rate, such as dental services, Heritage does not reprice the claim.¹⁰

To assess the USMS prisoner medical request and medical claim review processes and test the accuracy, allowability, and support for claims paid, we judgmentally selected 17 of the 95 USMS district offices for detailed testing. Additionally, we narrowed our scope of review to medical claims processed during a period of 15 months, from October 1, 2022, through December 31, 2023. From 30,961 medical claims totaling approximately \$12.6 million, we judgmentally selected 494 medical claims (1.60 percent) for which the USMS paid nearly \$3.8 million (29.63 percent).¹¹ As shown in Table 1, deficiencies we identified with the prisoner medical request and medical claim review processes resulted in discrepancies totaling \$37,416 in unsupported and \$33,830 in unallowable payments for prisoner medical services.

Table 1
Summary of USMS Prisoner Medical Request and Medical Claim Review Discrepancies

	Claims Reviewed ^a	Unsupported	Unallowable	Total Claims with Questioned Costs
Claims	494	32	51	83
Total	\$3,752,009	\$37,416	\$33,830	\$71,246

^a Medical claims may include multiple services for multiple prisoners.

Source: OIG Analysis

We questioned 83 claims (17 percent) of our claim sample, with associated costs of \$71,246, which represented 2 percent of the costs in our sample. These discrepancies, as discussed in further detail below, demonstrate that the USMS must improve its oversight of these processes to ensure the approximate \$60 million annually spent on USMS prisoner medical services is medically necessary and authorized, and that taxpayer dollars are appropriately spent.

USMS Prisoner Health Care Management Policy and Procedures

USMS Policy Directive 9.4, *Prisoner Health Care Management*, establishes the procedures and responsibilities for the submission of prisoner medical requests and the review of medical claims. Notably, between November 2021 and July 2022, we found that the USMS made significant updates to this policy, changing roles and responsibilities for POD-OMO and district office personnel. These changes included: (1) shifting the responsibility for approving routine prisoner medical requests from district office personnel to POD-OMO; and (2) requiring district office personnel to enter all prisoner medical requests into Capture, the USMS’s electronic prisoner management tracking system, for POD-OMO review and approval.

¹⁰ An exception claim is typically processed outside of the normal claim process and is for dental, non-network pharmacy, and medical care provided inside the detention facility at contract rates that may periodically exceed Medicare rates due to exceptional circumstances.

¹¹ Appendix 1 contains additional information about our sample design.

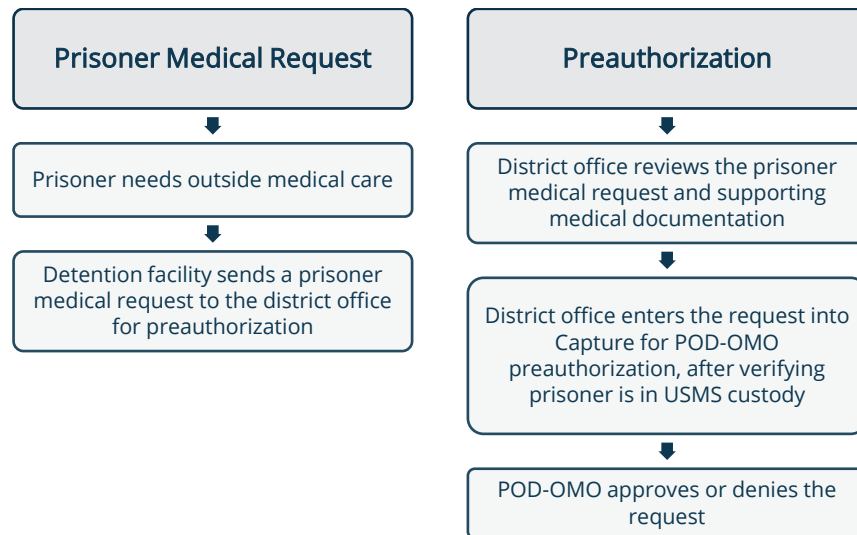
Although USMS stated these updates were emailed to responsible staff and posted on their intranet site, we found at least two districts (12 percent) in our sample that did not comply with these policy revisions in a timely manner. Therefore, we identified communication gaps associated with these policy revisions, which may have contributed to issues with the request and approval processes described throughout this report. For instance, personnel at one district office where we found prisoner medical requests approved without POD-OMO preauthorization told us that they were unaware of the policy changes described above. Accordingly, we recommend that the USMS enhance its efforts to ensure that all personnel responsible for processing prisoner medical requests and performing medical claim reviews are utilizing current guidance and following current requirements, particularly when substantive modifications are made to the procedures for processing medical requests or claims.

Prisoner Medical Request Process

As shown in Figure 3 below, the USMS prisoner medical request process begins when a USMS prisoner seeks non-emergency medical care. The detention facility submits a prisoner medical request to the local USMS district office for authorization to obtain the requested medical services. USMS district office personnel review the prisoner medical request and supporting documentation, verify the prisoner is in USMS custody, and then enter the request into Capture, for POD-OMO preauthorization.¹²

¹² As noted in the Introduction, emergency medical services do not require preauthorization from POD-OMO. However, upon receiving notification that emergency medical services were provided to an inmate, district office personnel are required to enter the emergency service into Capture.

Figure 3
USMS Prisoner Non-Emergency Medical Request Process



Source: OIG analysis of USMS information

Notably, we learned that USMS district offices are not automatically notified when POD-OMO approves, denies, or requires additional information related to a preauthorization request. Instead, district office personnel must manually check Capture to identify the status of each medical request. USMS district office personnel told us that the current approach was inefficient and can delay the timeliness in responding to the detention facilities, as district offices must create their own processes to monitor pending preauthorization requests. Once the district office proactively identifies an approval from POD-OMO, it forwards the approval to the detention facility, which schedules medical treatment for the prisoner.¹³ We agree that this process is inefficient and recommend that the USMS improve the notification process for preauthorization of prisoner medical requests entered into Capture to better ensure timely medical services for USMS prisoners.

Additionally, we found that USMS district office personnel did not consistently follow the prisoner medical request process as outlined in USMS Policy. Of the 494 medical claims reviewed from the 17 district offices, we initially determined that 38 claims totaling \$43,311 were unsupported. In these instances, district office personnel did not enter the prisoner medical request into Capture for POD-OMO review and preauthorization prior to scheduling the medical service, as required. As previously mentioned, districts do not have the authority to approve prisoner medical requests; all requests must be entered into Capture for POD-OMO review and approval to ensure that prisoners only receive medically necessary and authorized services. Bypassing the POD-OMO review and approval process potentially results in the USMS paying thousands of dollars in medical services that may be unnecessary and unauthorized. POD-OMO agreed with our assessment for 32 of the claims totaling \$37,416 and issued recoupment letters to the providers

¹³ POD-OMO may need additional medical information and will relay the request to the district office, which then forwards the request for additional information to the detention facility.

requesting reimbursement. For the remaining 6 claims totaling \$5,895, although district office personnel approved the services without authority to do so, the USMS stated that the district office approval would be accepted and recoupment was not necessary. Further, POD-OMO officials stated that they provided refresher training to district office personnel involved on proper preauthorization procedures and medical claim validation. Based on these actions, we do not take further exception to these 6 claims. Therefore, we recommend that the USMS remedy the remaining \$37,416 of the \$43,311 in unsupported medical claims for which the USMS requested recoupment from the medical service providers.

We also identified 64 emergency medical service submissions from our sample, totaling \$412,132, that were not entered into Capture, as required by USMS policy. We found that some emergency requests likely do not get entered due to a delay in notification to the district office or the failure of the district office to promptly enter the requests upon receiving notification. The district offices should have been notified of the emergency services rendered within 24 hours and promptly entered the services into Capture after notification. This allows district office personnel to verify: (1) the detention facility rather than the provider, notified the USMS that the prisoner required emergency services, (2) prisoner custody status, and (3) the medical service was properly recorded as an emergency. While emergency services do not require preauthorization, interim policy states that all services should be entered into Capture for POD-OMO review and approval. Although we did not question these costs, district submission of emergency services into Capture helps provide adequate support and POD-OMO oversight to ensure the services were valid and warranted an emergency (district personnel do not have the authority to deny services). Therefore, we recommend that the USMS develop internal control procedures that help ensure that all prisoner medical requests are entered into Capture and help prevent district office personnel from approving medical claims for payment without proper POD-OMO review and approval support in Capture.

Prisoner Medical Request Auto-Approvals

In November 2021, POD-OMO identified 50 types of medical services that do not require its review and preauthorization, such as routine X-rays, lab work, and dental visits in the presence of active pain and suffering.¹⁴ For these services, the Capture Program Office created an algorithm that gives district office personnel immediate approval after entering one of these 50 medical services into Capture. The district office then forwards the approval back to the detention facility, and the detention facility schedules the medical treatment.

Out of 404 medical claims reviewed from our sample of 17 district offices, we identified 161 non-emergency medical submissions that district office personnel entered into Capture for POD-OMO preauthorization.¹⁵ Of those 161 claims, there were 64 submissions (40 percent), totaling \$137,728, that received auto-approval from Capture and, therefore, did not go through the POD-OMO request review and approval process.¹⁶ In

¹⁴ We discuss some specific concerns related to requests for dental services and the related claims later in this report.

¹⁵ As described earlier in this report, our total sample included 494 claims; however, 90 of these were exception claims that we excluded from this analysis.

¹⁶ Our calculation represents all medical claims where POD-OMO preauthorization is required and excludes emergency and exception claims. Additionally, we excluded medical claims where a submission was not entered into Capture.

our judgment, the use of automatic approvals does not provide the USMS sufficient oversight to ensure that only medically necessary services are provided to prisoners.

According to the USMS, it performs auto-approval audits to identify whether medical services were approved according to policy. When we reviewed the supporting auto-approval audits, we found that the last analysis was performed in May of 2023, and the findings of the auto-approval audits were often similar to those identified in this report such as unsupported documentation and approving dental services which required POD-OMO review and approval. Additionally, as we describe in greater detail below, in one USMS district office we found 133 dental service requests were auto-approved for a single provider for only 55 prisoners over a 15-month period. According to the USMS, as a result of our findings, it is now considering a control that will limit dental auto-approvals to two dental visits a year per prisoner. We believe this step towards limiting the auto-approval of dental care will help prevent unnecessary or unauthorized services. This would address one of the concerns we discuss later in this report related to our review of dental service claims, specifically, extensive follow-up and routine dental visits, which are not considered medically necessary. We recommend the USMS re-evaluate its auto-approval process to ensure that only medically necessary services are approved within the limits set by USMS policy, especially as it relates to dental services.

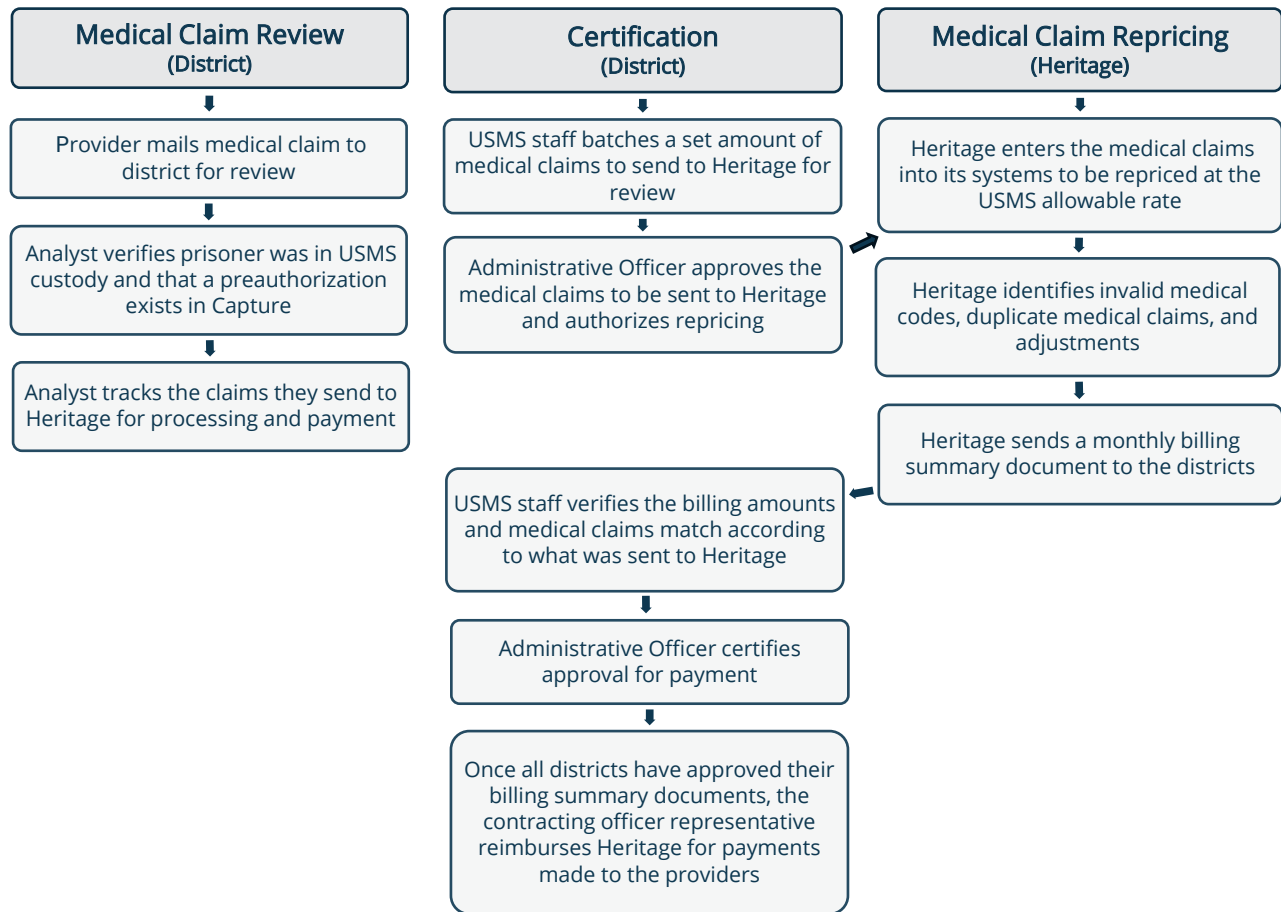
Medical Claim Review Process

The medical claim review process involves validating and correctly pricing a medical claim prior to payment. As shown in Figure 4, the medical claim review process begins when the medical provider mails the medical claim to the relevant USMS district office. Once received, USMS district office personnel review the medical claim to confirm that: (1) the prisoner was in USMS custody at the time of service; and (2) the medical service was preauthorized by POD-OMO, as required.¹⁷ Once the USMS district office has received a certain number of claims, they will batch the claims to be cleared by the local Administrative Officer and sent to Heritage for repricing and payment. District office personnel are required to keep track of the claims they send in to Heritage for processing.

Once Heritage receives the batched claims from the district office, they are entered into Heritage's systems to be repriced at the USMS allowable amount. After the medical claims have been repriced at the USMS allowable amount, Heritage pays the claim on behalf of the USMS. In instances when a claim is found to be invalid, Heritage will block the claim from being processed for payment. Each month, Heritage sends a billing summary to the USMS district offices, summarizing its reimbursement request for claims paid on behalf of the USMS. Upon final review, the district Administrative Officer reviews and certifies the payment request, and then the Contracting Officer Representative approves reimbursement to Heritage for payments made to the providers. Figure 4 outlines this process below.

¹⁷ The district should review whether the prisoner is in custody at the time the medical service is requested and when the medical claim is received the district should confirm that the prisoner was in custody at the time the service was delivered.

Figure 4
Medical Claim Review Process



Source: OIG analysis of USMS information

Overall, our testing of sample of 494 claims revealed 51 medical claims totaling \$33,830 that the USMS paid for unallowable medical services. Specifically, we identified:

- 29 medical claims where the provider billed for additional medical services totaling \$20,651 that were not reviewed and approved in Capture by POD-OMO.
- 11 medical claims that included 20 medical services totaling \$4,190 for USMS prisoners not in USMS custody at the time the services were performed.
- 9 medical claims that included 13 medical services totaling \$5,781 that were previously paid (duplicate charges).

- 2 exception pricing medical claims that included 1 instance of duplicate charges and 1 instance where the provider billed for additional medical services, as well as 13 charges for individuals not in USMS custody at the time the services were provided, totaling \$3,208.¹⁸

When we brought these claims to the attention of POD-OMO, it agreed the costs were unallowable and issued recoupment letters to the providers requesting reimbursement. We recommend the USMS remedy the \$33,830 in unallowable medical services identified by the OIG. In addition, we recommend the USMS assess the risk associated with the remaining historical costs under the contract to determine if additional recoupment efforts are appropriate and cost beneficial. We believe these discrepancies likely resulted from the complexities of the medical claim review process; decentralization of tasks between the district offices, POD-OMO, and Heritage; and insufficient district office training. We discuss these systemic causes and the recommended corrective actions throughout the remaining sections of this report.

Duplicates, Rejects, and Adjustments of Medical Claims

Once Heritage receives batched claims from the USMS, it first verifies that the district office approved the batch for repricing.¹⁹ Heritage then enters the medical codes and amounts from the claims into its systems to reprice the medical claims to Medicare rates, preferred provider network (PPN) rates, or the billed rate, whichever is the lowest (the lowest amount is identified as the USMS allowed amount). Heritage also identifies, tracks, and blocks duplicate and rejected claims from being processed for payment and reprices adjustment claims to the correct USMS allowable amount by utilizing several different systems depending on the type of claim being processed.²⁰ Each month, Heritage sends a billing summary document for the district offices to review. In accordance with the NMCC contract, Heritage charges the USMS a processing fee for each claim, including the processing of duplicate, rejected, and adjustment claims.

From October 1, 2022, through December 31, 2023, Heritage blocked a total of 2,451 duplicate claims, rejected 1,713 claims, and processed 553 adjustment claims.²¹ Although duplicate, rejected, and adjustment claims accounted for a small percentage the total claims processed for medical services, these claims represent hundreds of thousands of dollars that potentially would have been paid to providers if not detected.

Despite Heritage's process to ensure that USMS medical claims are valid and repriced appropriately, we identified multiple duplicate claims within our sample, totaling over \$5,700, that were not identified by Heritage and ultimately paid to the medical providers. As reported previously in our discussion of the unallowable costs we identified through our claim testing, when we notified POD-OMO of the duplicate

¹⁸ The two exception pricing medical claims listed numerous medical services related to multiple USMS prisoners, which allowed for a medical claim to have more than one issue occur.

¹⁹ District Administrative Officers sign a cover sheet authorizing Heritage to reprice the batch at the USMS allowable amount.

²⁰ Rejected claims are medical claims repriced to zero due to several reasons, such as if the claims are not allowed by Medicare or are missing necessary information. Heritage may reject the claim in part if other parts of the claim are valid. An adjustment claim is a monetary change to a paid USMS prisoner medical claim which will result in either an additional payment or refund due from the health care provider.

²¹ The total number of medical claims processed during our sampled period was 145,465.

payments to the health care providers, POD-OMO stated it would issue the providers recoupment letters to request reimbursement.²² If the USMS streamlined and modernized its processes it could more readily identify and address many of these problematic claims before they are sent to Heritage for processing, resulting in potentially significant cost savings.

Survey of District Office Personnel Responsible for Prisoner Medical Request and Medical Claim Reviews

We surveyed district office personnel responsible for the prisoner medical request and medical claim review processes and determined many of the discrepancies identified in this report may be attributable to district office personnel performing these tasks as a secondary duty and not receiving adequate training. We received 75 survey responses from district office personnel responsible for the prisoner medical request process and 86 survey responses from personnel responsible for the medical claim review process.

Secondary Duties

When we surveyed district personnel to learn more about the prisoner medical request process, we found that 55 of 75 respondents (73 percent) stated that reviewing, entering, and completing the prisoner medical request process was not their primary responsibility. In fact, 23 of the 75 respondents (31 percent) performing this task were Deputy U.S. Marshals who are primarily responsible for critical USMS functions such as witness and judicial security, fugitive investigation and apprehension, prisoner transport, and locating missing and exploited children. Additionally, as with the processing of prisoner medical requests, we determined 67 of 86 (78 percent) of surveyed district office personnel perform medical claim reviews as a secondary duty as well.²³

Insufficient Training

In addition to performing the prisoner medical requests and medical claim reviews as a secondary duty, 73 percent of surveyed district office personnel told us that they had not received formal training from POD-OMO; and those we spoke to said they only received informal training from the prior responsible person. This is particularly challenging for personnel responsible for matching the medical claim to the POD-OMO preauthorization. We found that some USMS district office personnel found this task difficult due to unfamiliar medical coding and terminology and uncertainty about the necessity of additional services. To illustrate, district office personnel stated they used

OIG Survey Result: USMS District Offices: *Prisoner Medical Request and Medical Claim Review*

75 percent (56 of 75 personnel) stated the USMS district offices should not be responsible for the prisoner medical request process. Two reasons stated were:

- (1) This task was not their primary duty and took time away from their official responsibilities; and
- (2) USMS district personnel processing prisoner medical request stated they do not have decision making capabilities and only function as an intermediary.

67 percent (58 of 86 personnel) stated USMS district offices should not be responsible for the medical claim review process. Two reasons stated were:

- (1) Not experienced to review medical billing codes; and
- (2) Medical claim review assigned as an additional duty.

²² During our review, we found one medical claim which was approved four times resulting in the health care provider being paid three times over the original billed amount.

²³ While Deputy U.S. Marshals processed medical requests, we found that they were not involved in the medical claims review process.

the Internet to look up medical and diagnostic codes on provider claims to attempt to correctly match the medical claim to the preauthorization.²⁴

Overall, we found that 72 of the 86 (84 percent) district office personnel surveyed who perform medical claim reviews lacked a fundamental knowledge of medical billings and had not received formal medical billing training that would qualify them to perform such reviews. According to POD-OMO, district office personnel are only required to review the medical claim to determine whether the prisoner was in USMS custody at the time the medical service was provided and whether a POD-OMO preauthorization exists that coincides with the medical claim. However, with appropriate medical billing training, these personnel would be better positioned to provide more robust oversight that could identify and address many more problematic claims before they are sent to Heritage for payment.

Although district personnel stated the POD-OMO medical claims utilization coordinator helped when needed, 67 of the 86 (78 percent) USMS district office personnel surveyed stated they were not trained by POD-OMO on the medical claim review process prior to the start of January 2024. However, we learned that since January 2024, 42 of 86 respondents (49 percent) have received formal training from POD-OMO. We believe the complexities of medical billings and lack of training for district office personnel responsible for medical claim reviews contributed to the many deficiencies previously identified. Accordingly, we recommend that the USMS enhance its prisoner medical request and medical claim review training. Specifically, the USMS should: (1) ensure all remaining district office personnel responsible for processing prisoner medical requests and medical claim reviews receive training from POD-OMO; (2) revise its procedures to ensure newly assigned prisoner medical request and medical claim review personnel also receive the same training prior to assuming these responsibilities; and (3) provide appropriate medical billing training to help district office personnel more easily match medical services to preauthorizations and identify medical claim deficiencies. In addition, given the significant roles and responsibilities of the typical Deputy U.S. Marshal, we recommend that the USMS evaluate the impact on the USMS's core mission and on efficiency of the provision of medical care to prisoners when assigning Deputy U.S. Marshals to the prisoner medical request process.

Need for a Centralized Strategy and Modernization of the USMS Prisoner Medical Request and Medical Claim Processes

As discussed throughout this report, we identified several issues with the USMS's prisoner medical request and medical claim review processes. Inadequate training and assigning these functions as secondary responsibilities, combined with a decentralized process involving 95 USMS district offices, POD-OMO, and Heritage, prevents the USMS from consistently and efficiently processing the high volume of medical requests and medical claims. As a result, the USMS cannot ensure that the approximately \$60 million spent per year on prisoner medical services is always necessary and authorized. Centralizing certain elements of this process, especially at the prisoner medical request phase, would help ensure better consistency in this process. In fact, when we discussed our preliminary audit results with USMS officials, we were told that the USMS is considering removing district offices from the prisoner medical request process and instead allowing the detention facilities to enter the prisoner medical request directly into Capture. The USMS began

²⁴ The medical claims issued to the USMS record a set of medical codes used by physicians, allied health professionals, nonphysician practitioners, hospitals, outpatient facilities, and laboratories to describe the procedures and services they perform.

testing this process in February 2025 at two detention facilities. If successful, the USMS plans to roll out the initiative to all detention facilities within the next 12 months. We believe this is a positive step.

In addition, we found that after prisoners receive medical services, health care providers mail paper claims to the district offices which in turn mail batches of medical claims to Heritage for repricing. In our judgment, mailing claims is less efficient and more costly due to mailing costs and may increase the risk the claims may be lost. Furthermore, we determined that once received, Heritage officials manually enter the claims in their system for processing, requiring additional time and effort, and providing an opportunity for input error. On average, Heritage processes over 9,000 claims monthly.

The USMS contract with Heritage states that districts may submit claims to Heritage either electronically or by mail, and that Heritage will establish an encrypted email account for electronic transmission of Personally Identifiable Information (PII). Nevertheless, the USMS chooses to mail the claims to Heritage instead. Additionally, though Heritage has the capability to utilize Optical Character Recognition (OCR) to scan the medical claims, which could improve the recognition of duplicate payments, it is not stated in the contract. Heritage staff stated they would utilize OCR if provided with the opportunity as they believe this would reduce costs and improve efficiency. Submitting electronic claims and utilizing OCR could improve medical claim processing times and accuracy, reduce the risk of the USMS paying providers for duplicate medical claims, and safeguard prisoner PII and personal health information.

Accordingly, we recommend that the USMS perform an assessment of its prisoner medical request and medical claim review processes and implement a formal strategy that seeks to centralize critical functions where appropriate and considers modernizing elements of these processes to ensure the most effective and efficient administration of this critical program, including electronic claim processing. Such processing would enable the USMS to employ data analytical tools in its reviews of medical claims, thereby enhancing its controls and identification of problem areas.

USMS Administration of the National Managed Care Contract

In 2007, the USMS competitively issued a solicitation for a nationwide health care delivery system that would provide health care services for prisoners held in its custody. The USMS awarded the contract to Heritage, which partnered with the USMS for 10 years before the contract was resolicited in 2017. The USMS again awarded the NMCC to Heritage with 1 base year and 9 option years, expiring in 2027.

To determine whether the USMS properly administered the NMCC, we reviewed various documentation and performed testing to determine whether the USMS:

- Adequately and timely documented acquisition planning in accordance with laws, regulations, and policy.
- Documented the acquisition and procurement of the contract such as proper solicitation, price evaluation, and contract award type in accordance with laws, regulations, and policy.
- Ensured the contractor was paid timely in accordance with the Prompt Payment Act.

- Ensured that USMS provided sufficient monitoring and oversight of the contract including a review of the contract file, quarterly contract management review meetings, worker whistleblower protections, and contract worker security and suitability requirements.

Based on our testing, we found potential improvements to USMS's acquisition planning in determining price reasonableness and negotiating fair and reasonable pricing for exception claims, which we summarize below.

Improvement Opportunities for Dental Claims

The Performance Work Statement (PWS) defines an exception claim as claims that require special processing or payment procedures.²⁵ These may include claims for routine dental care, X-rays, COVID-19 tests, non-network pharmacy, and medical care provided at a detention facility. Exception claims are priced and paid at the amount designated by the district office on a special processing/payment form, typically at an amount the health care provider bills, and are not capped at the Medicare rate because no Medicare rate exists for these services.

Fair and Reasonable Pricing for Dental Services

According to Federal Acquisition Regulation (FAR) 13.106-3, *Award and documentation*, before making an award, the contracting officer must determine that the proposed price is fair and reasonable. Whenever possible, price reasonableness shall be based on competitive quotes and offers. The purpose of performing cost or price analysis is to develop a negotiation position that permits the contracting officer and the offeror an opportunity to reach agreement on a fair and reasonable price. Based on the requirements outlined in the FAR, we determined the USMS competitively solicited and performed its independent government estimate by pricing out each task-order.²⁶ However, by including exception claims such as dental in the same task-order as medical services capped at the Medicare rate, the USMS was unable to negotiate rates for dental services in the NMCC, and as a result paid the provider billed amounts. USMS officials stated that there are no established Medicare rates for dental services, and that they have held discussions about reducing dental costs and hired a dental consultant in September 2023 to support this effort. Still, the USMS has not requested rates for dental services not priced at the Medicare rate, preventing the USMS from negotiating the price for these services.

From our sampled 17 USMS district offices for the period of October 2022 through December 2023, we determined the USMS paid \$1,219,402 for dental services, nearly 10 percent of the total spent on medical care during that period. In nearly all cases, the USMS paid the total amount billed by the dental providers. As shown in Table 2, we compared common procedures billed by the different dental providers and found a wide range of prices for different dental procedures.

²⁵ The USMS prepared a PWS describing the work in terms of required results that enabled assessment of the work performance against measurable standards.

²⁶ Task-orders contract for services when procuring for a quantity of services that is not firm or specified.

Table 2
Dental Pricing Examples

Procedure	Lowest Price	Highest Price	Variance
Comprehensive Oral Exam	\$52	\$275	\$223
Limited Oral Evaluation – problem focused	\$35	\$204	\$169
Intraoral Periapical First Film ^a	\$14	\$74	\$60
Intraoral Periapical – Each Additional	\$12	\$50	\$38
Panoramic Radiographical Image	\$65	\$235	\$170
Extraction of Erupted Tooth	\$65	\$400	\$335
Extraction of Erupted Tooth Requiring Removal of Bone	\$174	\$725	\$551
Removal of Partially Bone Impacted Tooth	\$283	\$765	\$482
Removal of Impacted Tooth	\$415	\$795	\$380
Removal of Residual Roots	\$131	\$1,499	\$1,368

^a Intraoral Periapical is a type of dental X-ray that provides a detailed view of an entire tooth.

Source: OIG review of a sample of submitted claims for dental care

By not negotiating fair and reasonable prices for dental services in the contract solicitation, the USMS missed opportunities to control costs. As a result, the USMS paid whatever price the dental provider requested, potentially overpaying thousands of dollars. Therefore, we recommend the USMS develop a strategy for obtaining and paying for dental care to maximize cost effectiveness. As part of this effort, the USMS should explore cost saving opportunities, including negotiating dental pricing in its contract solicitation or negotiating prices of common dental procedures with dental providers in order to reduce the variance in prices charged to the USMS.

Access to Care for Dental Services

In addition to the dental pricing noted above, we identified opportunities for USMS personnel to ensure appropriate access to care is provided to USMS prisoners for dental services in the 95 USMS districts. USMS officials stated that they follow what would be considered normal community standards. Community standards refer to the typical expectations for access to health care services. Access to care refers to the ability for USMS prisoners to receive the level of care required. USMS's Capture system automatically approves the following dental services for USMS prisoners²⁷:

- Focused dental examination and dental X-rays in the presence of pain and suffering.
- Extractions or fillings only to relieve active (not potential or possible) pain and suffering as recommended by a dentist, less than or equal to two teeth.

²⁷ POD-OMO may approve additional dental services determined to be allowable and medically necessary.

- Removal of braces or dental hardware, if causing pain, discomfort, or infection.
- Replacement or repair of upper or lower dentures, including partial denture, only if broken or lost while in USMS custody (one replacement is authorized with appropriate documentation).
- Routine dental hygiene for prisoners in uninterrupted custody of the USMS for greater than 12 months.²⁸

During our review, we identified a single USMS district office paid approximately \$861,698 in dental services—representing over 70 percent of all dental claims in our total sample of 17 USMS district offices, with \$800,628 billed by one dental practice.²⁹ Although we acknowledge this district houses one of the highest prisoner populations, overall, we found the number of dental services provided to this population to be disproportionate comparatively to the other sampled districts. Specifically, of the 1,689 prisoners seen by this dental practice within our 15-month sample period, we found that 529 (31 percent) were seen 2 or more times by this practice and 174 (10 percent) were seen 3 or more times. We examined the dental claims for 55 prisoners who were seen by this dental practice 4 times or more, totaling \$74,878 (about 9 percent of the \$800,628 billed for the 1,689 prisoners). Our review of the associated 241 dental claims for these 55 prisoners resulted in the identification of 84 claims for which we detected a concern. Some of the issues we identified include:

- A prisoner received protective restoration for a tooth and then received protective restoration 5 months later for the same tooth.
- Two instances where the practice billed for a tooth filling, and the same tooth was later extracted. In one of those instances, the prisoner received the filling just over one month prior.
- Although policy states that fillings or extractions are approved only in the presence of active pain and suffering, we identified most teeth cleanings from this dental practice resulted in a comprehensive examination, X-rays, and dental work. One such teeth cleaning resulted in nearly \$4,000 worth of fillings.

Unlike other districts where dental requests require offsite scheduling, a mobile dental clinic frequently visited detention facilities in this USMS district, offering prisoners routine dental care.³⁰ This likely provided a higher level of care than other facilities and possibly exceeded community standards. For example, the dental practice treated up to 29 prisoners a day and 47 prisoners over two consecutive days.

²⁸ One teeth cleaning is permitted each year after the 365-day requirement is met.

²⁹ This district was part of our sampled 17 districts. Through an analysis of the medical transactions, we identified the high volume of dental services provided. During our review we did not identify any evidence of fraud; however, we believe the auto-approval process significantly contributed to the total amount approved for this dental practice.

³⁰ This mobile dental practice traveled to one detention facility as much as six times in a single month. The staff is comprised of five personnel (including the dentist), one dental chair, and one x-ray chair. At other detention facilities, prisoner dental requests must be scheduled with the dental practice, guards, and transportation.

We discussed our findings with POD-OMO officials, and they concurred with our concerns related to 84 claims, totaling \$7,841 (10 percent of claims in our sample). POD-OMO also provided the following information:

- There are times when multiple limited oral exams may be appropriate within a 12-month period. The position of POD-OMO is that more than two oral exams a year does not fall outside of normal community standards. However, POD-OMO also stated that repeat submissions for dental care over a relatively short period would warrant a closer review. POD-OMO also indicated that prisoners with a history of substance abuse oftentimes experience pervasive oral health issues and therefore may require more extensive dental treatment.
- The dental industry standard for the frequency of bitewing X-rays is 6 to 18 month intervals.³¹ An exception may be made for comprehensive dental exams before 365 days in custody, requested by the local health authority for various comorbidities.³²
- Every detention center is responsible for identifying providers who can service their facility. Mobile dentistry services can be convenient but are more the exception than the norm and are less common and generally less available across the country.

We believe the 84 discrepancies, totaling \$7,841, further demonstrate opportunities for the USMS to enhance its prisoner medical request and medical claim review processes, in this case for dental services. Although the \$7,841 may not appear to be a significant amount, 84 discrepancies represent nearly 35 percent of our sampled dental claim review for this dental practice, and 10 percent of the total amount reviewed. In our judgment, ensuring that only essential dental services are provided to prisoners helps prevent federal funds being spent on medically unnecessary or unauthorized dental services. Many dental procedures bypass POD-OMO review, such as routine examinations, extractions or fillings for two teeth or fewer, because these procedures are auto-approved in Capture. As previously stated, the USMS's re-consideration of the parameters in place governing auto-approvals in Capture, particularly those related to dental procedures, would enhance the oversight needed to prevent unnecessary and unauthorized dental services. Additionally, we make multiple recommendations to improve the overall prisoner medical request and medical claims processes such as the reevaluation of its auto-approval process and periodic review of provider claims, which will help improve the USMS's oversight of dental services. In addition, we recommend that the USMS evaluate and ensure that access to care provided to USMS prisoners throughout the 95 USMS districts is aligned with applicable community standards. Additionally, we recommend the USMS remedy the \$7,841 in unallowable dental services identified by the OIG.

Contractor Performance and Compliance

Through the NMCC, the USMS required Heritage to provide a nationwide health care delivery system and outlined nine specific task requirements in its PWS which we show in Figure 5. These specific tasks

³¹ A bitewing X-ray provides a detailed view of the teeth. During a bitewing X-ray, the patient will bite down on a small piece of paper or film holder attached to the X-ray machine while the image is being taken.

³² For example, HIV and diabetes may impact oral health and require oral evaluation.

correspond to the task-orders issued throughout the lifecycle of the contract and outline USMS expectations of contract deliverables and Heritage's performance and compliance with the contract.

Figure 5
Contract Task Deliverables

Task 1: Project Management	• The highest project quality management results in efficient and effective support for USMS and its prisoners.
Task 2: Preferred Provider Network	• USMS prisoners have access to a PPN that provides offsite inpatient and outpatient health care.
Task 3: Centralized Claims Processing	• Medical, dental, and non-network pharmacy claims for USMS prisoners are accurately processed and repriced.
Task 4: Centralized Claims Payment	• Medical, dental, and non-network pharmacy claims for USMS prisoners are accurately and promptly paid.
Task 5: NMCC Pharmacy Program and Payment Services	• USMS prisoners have access to a national pharmacy network. NMCC pharmacy claims are processed and promptly paid through an automated pharmacy claims system.
Task 6: Information Security	• Information is maintained and easily accessed in a secure electronic platform.
Task 7: Customer Service	• Prompt and courteous customer support is provided to USMS and affiliates.
Task 8 Transition Into Contract Performance	• USMS receives a seamless transition with no interruption of services.
Task 9: Transition Out of Services	• A seamless transition out to new contract support services with no interruption of services.

Source: OIG analysis of USMS contract documentation

As discussed in the following sections, we reviewed Heritage's performance and compliance with the contract deliverables associated with tasks 1, 2, 3, 4, and 7.³³

Task 1: Project Management: The contract requires several reporting requirements to assist the USMS with ensuring the highest quality and management results in direct support of USMS prisoners. Specifically, Heritage shall complete background checks and ensure personnel are properly cleared to perform the services under this contract. Heritage shall facilitate quarterly contract review meetings and provide data reports which include information about various categories of claims both cumulatively and individually (e.g., valid, exception, duplicate, adjustment, dental, pharmacy, medical). We reviewed various quarterly status reports that Heritage is required to provide related to its PPN, claim repricing, and customer service inquiries and did not identify any concerns.

³³ We did not review Tasks 5, 6, 8, and 9 as those tasks did not directly relate to our audit objectives.

Task 2: Preferred Provider Network: The contract requires Heritage to provide the USMS a PPN whereby USMS prisoners have network access to offsite inpatient and outpatient health care. To determine whether Heritage complied with the terms of the contract, we verified detention facilities have access to a website to look up providers in-network. We also reviewed monthly documentation provided to the USMS by Heritage demonstrating their requirement to continually negotiate with providers outside the network to participate and become part of the network. Our audit did not identify any issues related to Heritage's performance of this task.

Task 3: Centralized Claims Reprocessing: Heritage is required to accurately reprice and process medical claims at the USMS allowable amount. Additionally, Heritage is required to block invalid medical claims from being processed for payment. As previously mentioned, our review revealed that Heritage blocked 2,451 duplicate claims, 1,713 rejected claims, and 553 adjusted claims between October 1, 2023, and December 31, 2024. Our testing did not identify any issues related to Heritage's performance of this task.

To determine whether Heritage accurately repriced medical claims at the USMS allowable amount, we judgmentally selected 42 medical claims totaling approximately \$236,000 out of 6,036 claims totaling approximately \$2.9 million from our sampled medical claims for FY 2024.³⁴ Accurately repricing medical claims ensures the USMS pays the lowest available rate and ensures providers are not under or overpaid. Overall, we determined Heritage accurately repriced medical claims at the USMS allowable rate. Additionally, in February 2023, Heritage hired a third-party audit firm to audit their repricing of medical claims at the Medicare rate. Through our testing, we did not identify any significant issues related to Heritage's performance of this task.

Task 4: Centralized Claims Payment: Heritage is required to issue accurate and prompt payment at the USMS allowed amount to providers for USMS prisoner medical, dental, and non-network pharmacy claims. The USMS will then reimburse Heritage for these payments. For our sampled 15-month period, we reviewed the monthly transaction reports and check register documents provided by the USMS showing the amounts paid to the providers. Our testing did not identify any issues related to Heritage's performance of this task.

Task 7: Customer Service: The contract states that Heritage will provide dedicated staff to function as customer service for the USMS. We interviewed POD-OMO personnel, Heritage personnel, and reviewed quarterly contract management review meetings to determine whether Heritage provided adequate customer service. We found that Heritage tracks the number of inquiries how the request was received, and what the request related to. Our audit did not identify any issues related to Heritage's performance of this task.

³⁴ We judgmentally selected at least one claim from each of the 17 districts sampled. Additionally, we selected high and lower dollar claim amounts priced at Medicare, PPN, and billed amounts.

Conclusion and Recommendations

Overall, we identified several areas where the USMS can improve its prisoner medical request and medical claim review processes and better ensure that the approximately \$60 million spent annually for prisoner medical and dental services is only expended on properly approved, medically necessary services. Specifically, the USMS must ensure that district office personnel who perform these tasks are adequately trained, especially as it relates to medical claims reviews, with particular emphasis on those performing the tasks as a secondary duty. Moreover, the USMS should also evaluate the impact on its core mission and on the efficiency of the provision of medical care to prisoners when assigning Deputy U.S. Marshals to related tasks as a secondary duty. In addition, the USMS would benefit from reassessing its currently decentralized processes to identify inefficiencies that could be addressed through a new strategy focused on centralization and modernization. In our opinion, the USMS's failure to negotiate fair and reasonable prices for dental services in the NMCC solicitation was a missed opportunity for cost savings. As a result, the USMS is generally paying the price dental providers bill with wide price variances for certain procedures. Overall, we make 13 recommendations to help the USMS improve its prisoner medical request and medical claim review processes and its administration of the NMCC to better ensure this important program is managed as efficiently and effectively as possible.

We recommend that the USMS:

1. Enhance its efforts to ensure that all personnel responsible for processing prisoner medical requests and performing medical claim reviews are utilizing current guidance and following current requirements, particularly when substantive modifications are made to the procedures for processing medical requests or claims.
2. Improve the notification process for preauthorization of prisoner medical requests entered into Capture to better ensure timely medical services for USMS prisoners.
3. Remedy the remaining \$37,416 of the \$43,311 in unsupported medical claims for which the USMS requested recoupment from the medical service providers.
4. Develop internal control procedures that help ensure that all prisoner medical requests are entered into Capture and help prevent district office personnel from approving medical claims for payment without proper POD-OMO review and approval support in Capture.
5. Re-evaluate its auto-approval process to ensure that only medically necessary services are approved within the limits set by USMS policy, especially as it relates to dental services.
6. Remedy the \$33,830 in unallowable medical services identified by the OIG.
7. Assess the risk associated with the remaining historical costs under this contract to determine if additional recoupment efforts are appropriate and cost beneficial.

8. Enhance its prisoner medical request and medical claim review training. Specifically, the USMS should : (1) ensure all remaining district office personnel responsible for processing prisoner medical requests and medical claim reviews receive formal training from POD-OMO; (2) revise its procedures to ensure newly assigned prisoner medical request and medical claim review personnel also receive the same training prior to assuming these responsibilities; and (3) provide appropriate medical billing training to help district office personnel more easily match medical services to preauthorizations and identify medical claim deficiencies.
9. Evaluate the impact on the USMS's core mission and on the efficiency of the provision of medical care to prisoners when assigning Deputy U.S. Marshals to the prisoner medical request process.
10. Perform an assessment of its prisoner medical request and medical claim review processes and implement a formal strategy that seeks to centralize critical functions where appropriate and considers modernizing elements of these processes to ensure the most effective and efficient administration of this critical program, including electronic processing. Such processing would enable the USMS to employ data analytical tools in its reviews of medical claims, thereby enhancing its controls and identification of problem areas.
11. Develop a strategy for obtaining and paying for dental care to maximize cost effectiveness. As part of this effort, the USMS should explore cost saving opportunities, including negotiating dental pricing in its contract solicitation or negotiating prices of common dental procedures with dental providers in order to reduce the variance in prices charged to the USMS.
12. Evaluate and ensure that access to care provided to USMS prisoners throughout the 95 USMS districts is aligned with applicable community standards.
13. Remedy the \$7,841 in unallowable dental services identified by the OIG.

APPENDIX 1: Objectives, Scope, and Methodology

Objectives

The objectives of this audit were to assess: (1) the USMS prisoner medical request and medical claim review processes through the U.S. Marshals Service (USMS) administration of the National Managed Care Contract (NMCC) awarded to Heritage Health Solutions, Inc. and (2) Heritage's performance and compliance with the contract terms and condition, laws, and regulations.

Scope and Methodology

To address these objectives, we: (1) interviewed POD-OMO, USMS district office personnel, and Heritage responsible personnel; (2) reviewed relevant regulations, policies, and procedures; and (3) analyzed whether medical claims were properly preauthorized, approved, and paid in accordance with regulations, policies, and contract requirements. We describe our detailed methodology below.

Prisoner Medical Requests and Medical Claim Review Processes

To evaluate whether USMS personnel properly managed the prisoner medical requests and medical claim review processes, we interviewed USMS Prisoner Operations Division – Officer of Medical Operations (POD-OMO) and district office personnel to identify procedures related to the management and oversight of the prisoner medical review and medical claim review processes. For our sampled selection, we determined whether district personnel processed prisoner medical requests and medical claims in accordance with USMS policy and procedures.

USMS Administration of the NMCC

To determine whether USMS personnel adequately administered the NMCC, we interviewed USMS personnel to identify their oversight and monitoring responsibilities of the contract. We reviewed contract information such as acquisition planning, the Performance Work Statement, and Contractor Performance Assessment System reports. We reviewed exempted repriced medical claims such as coronavirus tests, dental, and X-rays and determined whether the prices aligned with community standards.

Contractor Performance and Compliance

To assess whether Heritage's performance was adequate and complied with the contract terms, laws, and regulations we reviewed the PWS to determine Heritage's requirements and deliverables of the contract. We interviewed POD-OMO, Heritage, and Heritage's subcontractors to determine their required roles and responsibilities. We analyzed documentation provided by both Heritage and the USMS that demonstrated their compliance with the terms of the contract.

Statement on Compliance with Generally Accepted Government Auditing Standards

We conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS). 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.

Internal Controls

In this audit, we performed testing of internal controls significant within the context of our audit objectives. We did not evaluate the internal controls of the USMS to provide assurance on its internal control structure as a whole. The USMS's management is responsible for the establishment and maintenance of internal controls in accordance with Office of Management and Budget, Circular A-123 and the Federal Acquisition Regulation (FAR). Because we do not express an opinion on the USMS's internal control structure as a whole, we offer this statement solely for the information and use of the USMS. We assessed the design, implementation, and operating effectiveness of these internal controls and identified deficiencies that we believe could affect the USMS's ability to operate effectively and efficiently. The internal control deficiencies we found are discussed in the Audit Results section of this report. However, because our review was limited to aspects of these internal components and underlying principles, it may not have disclosed all internal control deficiencies that may have existed at the time of this audit.

Compliance with Laws and Regulations

In this audit we tested, as appropriate given our audit objectives and scope, selected transactions, records, procedures, and practices, to obtain reasonable assurance that USMS's management complied with federal laws and regulations for which non-compliance, in our judgment, could have a material effect on the results of our audit. Our audit included examining, on a test basis, the USMS's compliance with the following laws and regulations that could have a material effect on the USMS's operations:

- FAR Part 6: *Competition Requirements*
- FAR Part 7: *Acquisition Planning*
- FAR Part 10: *Market Research*
- FAR Subpart 12.209: *Determination of Price Reasonableness*
- FAR Part 15: *Contracting by Negotiation*
- FAR Part 16: *Types of Contracts*
- FAR Subpart 32.9: *Prompt Payment*
- FAR Subpart 42.15: *Contractor Performance Information*
- FAR Part 46: *Quality Assurance*

This testing included analyzing award files and related documentation, interviewing agency contracting officials and the contractor, and reviewing prisoner medical requests and medical claims. As noted in the Audit Results section of this report, we found that the USMS did not comply with federal regulations related to price reasonableness for dental claims.

Sample-Based Testing

To accomplish our audit objectives, we performed sample-based testing for prisoner medical requests, repriced medical claims, and dental claims. In this effort, we employed judgmental sampling designs to obtain broad exposure to numerous facets of the areas we reviewed, including the total cost of the claim, the services provided, the geographic location, and type of provider. These non-statistical sample designs did not allow projection of the test results to the universe from which the samples were selected.

Computer-Processed Data

During our audit, we obtained information from the Unified Financial Management System (UFMS) and Capture. We did not test the reliability of those systems as a whole, therefore any findings identified involving information from those systems were verified with documentation from other sources. To illustrate, we assessed the reliability of UFMS data by comparing the sampled Heritage medical invoices with the payment amounts in UFMS. Additionally, we validated USMS prisoner custody in Capture with POD-OMO personnel against prisoner medical requests received from the detention facilities. We determined that the data were sufficiently reliable to support our findings, conclusions, and recommendations.

APPENDIX 2: Schedule of Dollar-Related Findings

<u>Description</u>	<u>Amount</u>	<u>Page</u>
Questioned Costs ³⁵		
Unallowable Medical Costs	\$33,830	12
Unallowable Dental Costs	\$7,841	19
Unsupported Medical Service Costs	\$37,416	8
TOTAL QUESTIONED COSTS	<u>\$79,087</u>	

³⁵ **Questioned Costs** are expenditures that do not comply with legal, regulatory, or contractual requirements; are not supported by adequate documentation at the time of the audit; or are unnecessary or unreasonable. Questioned costs may be remedied by offset, waiver, recovery of funds, the provision of supporting documentation, or contract ratification, where appropriate.

APPENDIX 3: Heritage Required Services & Performance Measures

PWS (Task#/Paragraph)	Required Services	Performance Standards	Acceptable Quality Level	Monitoring Method	Incentive/Disincentive
TASK 1: Project Management					
1	Deliverables	Deliverables are provided within the agreed upon timeframe for each task. Deliverables are accurate, thorough and free of typos/errors.	No more than one late deliverable in a month. Only minor issues found in draft materials. No deviation for final deliverable.	Contracting Officer Representative (COR) designee review of all deliverables.	CPARS Rating.
TASK 2: Preferred Provider Network					
2.10	Provide access to PPN website.	99.99% uptime (not including approved outages).	No deviation.	Report of system availability.	CPARS Rating.
2.11	Provide a process to recommend additional providers for inclusion in PPN.	All the eligible providers are recommended and contacted.	100% of recommended providers are contacted.	COR review of contractor status report.	CPARS Rating.
TASK 3: Centralized Claims Processing					
3.1, 3.1.5	Provide and maintain an accurate Standard Operating Procedure (SOP) for processing, repricing and payment of medical, dental, and non-network pharmacy claims.	The SOP must contain the guidelines and timelines that govern the method in which valid (including exceptions) adjusted, duplicate, rejected, and revised claims are processed.	No deviation.	COR review of the annual deliverable.	CPARS Rating.
3.8, 3.15	Process and reprice all claims.	Within eight (8) business days from receipt of a claim from a district office.	Error rate not to exceed three percent (3%). After the first year of performance.	Review up to a 5% random sample on a monthly basis, using the Contractor's claim system and copies provided by the Contractor.	5% reduction from the original monthly services invoice (CLIN 5).
3.15, 4.7	Report system and other Contractor errors.	The COR is notified within one business day, in writing, of the error, the financial impact of the issue on current and previous claims, and a time frame for implementing corrective action.	No deviation.	Quarterly Status report affirms no system or other Contractor errors occurred.	Claim errors resulting from Contractor system errors are corrected at no cost to the USMS for Contractor adjustment fees.

3.15	Update claims system with new Medicare rates and repricing software and updates from outside vendors.	The update must be made within five business days following publication of and availability of the rates/software.	No deviation.	Positive affirmation in quarterly status report.	CPARS rating.
TASK 4: Centralized Claims Payment					
4.1	Provide accurate claims payment.	Accurately pay provider claims according to the procedures and timelines established. All claims payment errors are reworked. Adjustments will be made by the contractor according to the procedures and timelines established. The Contractor will correct inaccurate claims payments.	No deviation.	COR review of adjustments as they occur.	Payment errors due to Contractor system errors will be processed at no additional cost to the USMS.
TASK 7: Customer Service (CS)					
7.1, 7.3	Respond to CS calls.	CS staff will be available during each business day, 8 a.m. – 8 p.m. EST. If only an interim response is provided, CS will follow-up every three (3) business days until resolution.	No deviation. 98 % of initial calls responded to within one business day in 1 year and 99 % in subsequent years. Remaining calls are responded to within two business days. No deviation.	COR review/random calls. COR review quarterly summary call log.	CPARS Rating.
7.1, 7.3	Provide courteous CS.	No customer complaints are made to the COR.	No more than 1 complaint per month received.	COR will receive and evaluate complaints.	CPARS Rating.

APPENDIX 4: The USMS Response to the Draft Audit Report



U.S. Department of Justice

United States Marshals Service

Office of Professional Responsibility

Washington, DC 20530-0001

September 22, 2025

MEMORANDUM TO: Jason M. Malmstrom
Assistant Inspector General
Office of the Inspector General

FROM: Darnell Sims DARNELL
Acting Assistant Director SIMS

SUBJECT: Response to Draft Audit Report: Audit of the U.S. Marshals
Service's Prisoner Medical Request and Medical Claim Review
Processes Through Its National Managed Care Contract

Digitally signed by
DARNELL SIMS
Date: 2025.09.22
10:56:48 -04'00'

This is in response to correspondence from the Office of the Inspector General (OIG), requesting comment on the recommendations associated with the subject draft audit report. The United States Marshals Service (USMS) appreciates the opportunity to review the Report and concurs with the recommendations therein. Actions planned by the USMS with respect to OIG's recommendations are outlined in the attached response.

Should you have any questions or concerns regarding this response, please contact Krista Eck, External Audit Liaison, at 202-819-4371.

Attachments

cc: Kimberly Rice
Regional Audit Manager
Office of the Inspector General

Louise Duhamel
Assistant Director, Audit Liaison Group
Internal Review and Evaluation Office
Justice Management Division

Dana Lindblad
Acting Deputy Chief of Staff
United States Marshals Service

Response to Draft Audit Report: Audit of the U.S. Marshals Service's Prisoner Medical Request and Medical Claim Review Processes Through Its National Managed Care Contract

Recommendation 1: Enhance its efforts to ensure that all personnel responsible for processing prisoner medical requests and performing medical claim reviews are utilizing current guidance and following current requirements, particularly when substantive modifications are made to the procedures for processing medical requests or claims.

USMS Response (Concur): The United States Marshals Service (USMS) will evaluate its strategy to ensure Agency personnel responsible for processing prisoner medical requests and performing medical claim reviews are utilizing current guidance and following current requirements, particularly when substantive modifications are made to the procedures for processing medical requests or claims.

Recommendation 2: Improve the notification process for preauthorization of prisoner medical requests entered into Capture to better ensure timely medical services for USMS prisoners.

USMS Response (Concur): The USMS will develop an enhancement that will improve the notification process for preauthorization of prisoner medical requests entered into the USMS Mission System, Capture.

Recommendation 3: Remedy the remaining \$37,416 of the \$43,311 in unsupported medical claims for which the USMS requested recoupment from the medical service providers.

USMS Response (Concur): The USMS is working to recoup the remainder of these unsupported claim amounts.

Recommendation 4: Develop internal control procedures that help ensure that all prisoner medical requests are entered into Capture and help prevent district office personnel from approving medical claims for payment without proper POD-OMO review and approval support in Capture.

USMS Response (Concur): The USMS is implementing an initiative that will allow medical personnel at detention facilities housing USMS prisoners to submit prisoner medical requests directly to Prisoner Operations Division (POD) medical staff via Capture.

Recommendation 5: Re-evaluate its auto-approval process to ensure that only medically necessary services are approved within the limits set by USMS policy, especially as it relates to dental services.

USMS Response (Concur): The USMS will develop procedures to audit the auto approval process annually to ensure that only medically necessary services are approved within the limits set by USMS policy.

Recommendation 6: Remedy the \$33,830 in unallowable medical services identified by the OIG.

USMS Response (Concur): The USMS is working to recoup the remainder of these unsupported claim amounts.

Recommendation 7: Assess the risk associated with the remaining historical costs under this contract to determine if additional recoupment efforts are appropriate and cost beneficial.

USMS Response (Concur): The USMS will assess the risk associated with the remaining historical costs under this contract to determine if additional recoupment efforts are appropriate and cost beneficial.

Recommendation 8: Enhance its prisoner medical request and medical claim review training. Specifically, the USMS should : (1) ensure all remaining district office personnel responsible for processing prisoner medical requests and medical claim reviews receive formal training from POD-OMO; (2) revise its procedures to ensure newly assigned prisoner medical request and medical claim review personnel also receive the same formal training prior to assuming these responsibilities; and (3) provide appropriate medical billing training to help district office personnel more easily match medical services to preauthorizations and identify medical claim deficiencies.

USMS Response (Concur): The USMS will enhance, formalize, and document the training of employees involved in the prisoner medical request and medical claim review processes.

Recommendation 9: Evaluate the impact on the USMS's core mission and on the efficiency of the provision of medical care to prisoners when assigning Deputy U.S. Marshals to the prisoner medical request process.

USMS Response (Concur): The USMS intends to implement initiatives to reduce the prisoner medical request administrative workload of USMS district personnel.

Recommendation 10: Perform an assessment of its prisoner medical request and medical claim review processes and implement a formal strategy that seeks to centralize critical functions where appropriate and considers modernizing elements of these processes to ensure the most effective and efficient administration of this critical program, including electronic processing. Such processing would enable the USMS to employ data analytical tools in its reviews of medical claims, thereby enhancing its controls and identification of problem areas.

USMS Response (Concur): The USMS will assess the efficiency of the prisoner medical request and medical claim review processes to identify opportunities for centralization and modernization.

Recommendation 11: Develop a strategy for obtaining and paying for dental care to maximize cost effectiveness. As part of this effort, the USMS should explore cost saving opportunities, including negotiating dental pricing in its contract solicitation, or negotiating prices of common dental procedures with dental providers in order to reduce the variance in prices charged to the USMS.

USMS Response (Concur): The USMS will assess strategies for obtaining and paying pre-negotiated prices for dental care.

Recommendation 12: Evaluate and ensure that access to care provided to USMS prisoners throughout the 95 USMS districts is aligned with applicable community standards.

USMS Response (Concur): The USMS will evaluate and ensure that access to care is consistently provided to USMS prisoners and is aligned with applicable community standards.

Recommendation 13: Remedy the \$7,841 in unallowable dental services identified by the OIG.

USMS Response (Concur): The USMS is working to recoup the remainder of these unsupported claim amounts.

APPENDIX 5: Office of the Inspector General Analysis and Summary of Actions Necessary to Close the Audit Report

The U.S. Department of Justice Office of the Inspector General (OIG) provided a draft of this audit report to the U.S. Marshals Service (USMS). The USMS's response is incorporated in Appendix 4 of this final report. In response to our audit report, the USMS concurred with our recommendations and discussed the actions it will implement in response to our findings. As a result, the status of the audit report is resolved. Heritage Health Solutions, Inc., opted not to provide a response to the draft report. The following provides the OIG analysis of the USMS's response and summary of actions necessary to close the report.

Recommendations for USMS:

- 1. Enhance its efforts to ensure that all personnel responsible for processing prisoner medical requests and performing medical claim reviews are utilizing current guidance and following current requirements, particularly when substantive modifications are made to the procedures for processing medical requests or claims.**

Resolved. The USMS concurred with this recommendation. The USMS stated it will evaluate its strategy to ensure USMS personnel responsible for processing prisoner medical requests and performing medical claim reviews are utilizing current guidance and following current requirements, particularly when substantive modifications are made to the procedures for processing medical requests or claims.

This recommendation can be closed when we receive documentation supporting that the USMS has enhanced its efforts to ensure that its personnel who are responsible for processing prisoner medical requests and performing medical claim reviews are utilizing current guidance and following current requirements.

- 2. Improve the notification process for preauthorization of prisoner medical requests entered into Capture to better ensue timely medical services for USMS prisoners.**

Resolved. The USMS concurred with this recommendation. The USMS stated it will develop an enhancement that will improve the notification process for preauthorization of prisoner medical requests entered into Capture.

This recommendation can be closed when we receive evidence supporting an enhancement that improves the notification process for preauthorization of prisoner medical requests entered into Capture.

3. **Remedy the remaining \$37,416 of the \$43,311 in unsupported medical claims for which the USMS requested recoupment from the medical service providers.**

Resolved. The USMS concurred with this recommendation. The USMS stated it is working to recoup the remainder of these unsupported claim amounts.

This recommendation can be closed when we received evidence supporting that \$37,416 has been remedied by the USMS.

4. **Develop internal control procedures that help ensure that all prisoner medical requests are entered into Capture and help prevent district office personnel from approving medical claims for payment without proper Prisoner Operations Division-Office of Medical Operations (POD-OMO) review and approval support in Capture.**

Resolved. The USMS concurred with this recommendation. The USMS stated it is implementing an initiative that will allow medical personnel at detention facilities housing USMS prisoners to submit prisoner medical requests directly to POD medical staff via Capture.

This recommendation can be closed when we receive evidence that internal control procedures have been implemented that ensure all prisoner medical requests are entered into Capture and help prevent district office personnel from approving medical claims for payment without proper POD-OMO review and approval support in Capture.

5. **Re-evaluate its auto-approval process to ensure that only medically necessary services are approved within the limits set by USMS policy, especially as it relates to dental services.**

Resolved. The USMS concurred with this recommendation. The USMS stated that it will develop procedures to audit the auto-approval process annually to ensure that only medically necessary services are approved within the limits set by USMS policy.

This recommendation can be closed when we receive evidence that the USMS re-evaluated its auto-approval process to ensure that only medically necessary services are approved within the limits set by USMS policy, especially as it relates to dental services.

6. **Remedy the \$33,830 in unallowable medical services identified by the OIG.**

Resolved. The USMS concurred with this recommendation. The USMS stated that it is working to recoup the remainder of these unsupported claim amounts.

This recommendation can be resolved when the \$33,830 in unallowable medical services identified by the OIG has been remedied by the USMS.

7. **Assess the risk associated with the remaining historical costs under this contract to determine if additional recoupment efforts are appropriate and cost beneficial.**

Resolved. The USMS concurred with this recommendation. The USMS stated that it will assess the risk associated with the remaining historical costs under this contract to determine if additional recoupment efforts are appropriate and cost beneficial.

This recommendation can be resolved when we receive documentation supporting the USMS has assessed the risk associated with the remaining historical costs under this contract to determine if additional recoupment efforts are appropriate and cost beneficial.

8. **Enhance its prisoner medical request and medical claim review training. Specifically, the USMS should: (1) ensure all remaining district office personnel responsible for processing prisoner medical requests and medical claim reviews receive formal training from POD-OMO; (2) revive its procedures to ensure newly assigned prisoner medical request and medical claim review personnel also receive the same training prior to assuming these responsibilities; and (3) provide appropriate medical billing training to help district office personnel more easily match medical services to preauthorizations and identify medical claim deficiencies.**

Resolved. The USMS concurred with this recommendation. The USMS stated that it will enhance, formalize, and document the training of employees involved in the prisoner medical request and medical claim review processes.

This recommendation can be closed when we receive documentation supporting that the USMS has enhanced, formalized, and documented the training of employees involved in the prisoner medical request and medical claim review processes, particularly those aspects identified in this recommendation.

9. **Evaluate the impact on the USMS's core mission and on the efficiency of the provision of medical care to prisoners when assigning Deputy U.S. Marshals to the prisoner medical request process.**

Resolved. The USMS concurred with this recommendation. The USMS stated that it intends to implement initiatives to reduce the prisoner medical request administrative workload of USMS district personnel.

This recommendation can be closed when we receive documentation supporting that the USMS has evaluated the impact on the USMS's core mission and on the efficiency of the provision of medical care to prisoners when assigning Deputy U.S. Marshals to the prisoner medical request process.

10. **Perform an assessment of its prisoner medical request and medical claim review processes and implement a formal strategy that seeks to centralize critical functions where appropriate and considers modernizing elements of these processes to ensure the most effective and efficient administration of this critical program, including electronic processing. Such processing would**

enable the USMS to employ data analytical tools in its reviews of medical claims, thereby enhancing its controls and identification of problem areas.

Resolved. The USMS concurred with this recommendation. The USMS stated that it will assess the efficiency of the prisoner medical request and medical claim review processes to identify opportunities for centralization and modernization.

This recommendation can be closed when we receive documentation supporting the USMS has performed an assessment of its prisoner medical request and medical claim review processes and implemented a formal strategy that seeks to centralize critical functions where appropriate and considers modernizing elements of these processes to ensure the most effective and efficient administration of this critical program, including electronic processing.

- 11. Develop a strategy for obtaining and paying for dental care to maximize cost effectiveness. As part of this effort, the USMS should explore cost saving opportunities, including negotiating dental pricing in its contract solicitation or negotiating process of common dental procedures with dental providers in order to reduce the variance in process charged to the USMS.**

Resolved. The USMS concurred with this recommendation. The USMS stated that it will assess strategies for obtaining and paying pre-negotiated prices for dental care.

This recommendation can be closed when we receive documentation that the USMS has developed a strategy for obtaining and paying for dental care to maximize cost effectiveness.

- 12. Evaluate and ensure that access to care provided to USMS prisoners throughout the 95 USMS districts is aligned with applicable community standards.**

Resolved. The USMS concurred with this recommendation. The USMS stated that it will evaluate and ensure that access to care is consistently provided to USMS prisoners and is aligned with applicable community standards.

This recommendation can be closed when we receive documentation that the USMS has evaluated and ensured that access to care provided to USMS prisoners throughout the 95 USMS districts is aligned with applicable community standards.

- 13. Remedy the \$7,841 in unallowable dental services identified by the OIG.**

Resolved. The USMS concurred with this recommendation. The USMS stated that it is working to recoup the remainder of these unsupported claim amounts.

This recommendation can be resolved when the \$7,841 in unallowable dental services identified by the OIG has been remedied by the USMS.