

Department of Health and Human Services
Office of Inspector General



Office of Audit Services

March 2026 | OAS-25-05-067

Selected Diabetes and Weight Loss Drugs Were Dispensed to Michigan Medicaid Managed Care Enrollees in Accordance With Federal and State Requirements



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Why OIG Did This Audit

- There has been a substantial increase in the use of certain diabetes and weight loss drugs in recent years. Certain diabetes drugs initially approved by the Food and Drug Administration (FDA) to help control blood sugar levels for individuals with type 2 diabetes are known to be highly effective weight loss agents. FDA later approved these and similar drugs specifically for weight loss.
- A prior OIG audit identified that national Medicaid gross spending on selected diabetes and weight loss drugs increased by 540 percent from 2019 to 2023, totaling \$9.4 billion in 2023.
- This audit determined whether selected diabetes and weight loss drugs were dispensed to Michigan Medicaid managed care enrollees in accordance with Federal and State requirements.

What OIG Found

- During our audit period, selected diabetes and weight loss drugs were dispensed to Michigan Medicaid managed care enrollees in accordance with Federal and State requirements.
- Michigan ensured that the managed care organizations followed all outpatient prescription drug coverage and utilization requirements that were in place during our audit period, including prior authorizations and quantity limits, for all 105 encounter claims in our stratified random sample.

What OIG Recommends

This report does not contain recommendations.

Michigan informed us that it did not have comments on our draft report.

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INTRODUCTION

WHY WE DID THIS AUDIT

There has been a substantial increase in the use of certain diabetes and weight loss drugs in recent years. Certain diabetes drugs initially approved by the Food and Drug Administration (FDA) to help control blood sugar levels for individuals with type 2 diabetes are known to be highly effective weight loss agents. FDA later approved these and similar drugs specifically for weight loss. Most State Medicaid agencies cover the diabetes drugs to treat diabetes in Medicaid enrollees, but most States do not cover the weight loss drugs or the diabetes drugs if prescribed for weight loss. A prior Office of Inspector General (OIG) audit identified that national Medicaid gross spending on selected diabetes and weight loss drugs increased by 540 percent from 2019 to 2023, totaling \$9.4 billion in 2023.¹ This audit focused on selected diabetes and weight loss drugs in Michigan’s Medicaid managed care program.

OBJECTIVE

Our objective was to determine whether selected diabetes and weight loss drugs were dispensed to Michigan Medicaid managed care enrollees in accordance with Federal and State requirements.

BACKGROUND

The Medicaid Program

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

States may offer Medicaid benefits on a fee-for-service (FFS) basis, through managed care, or both. Under the FFS model, the State pays providers directly for each covered service received by a Medicaid enrollee. Under managed care, the State pays a fee to a managed care organization (MCO) for each person enrolled in the plan. MCOs submit encounter claim data to the State Medicaid agency. Encounter claim data is a collection of individual encounters that contains information about the specific products or services provided to each enrollee,

¹ OIG, [Medicaid Gross Spending on 10 Selected Diabetes and Selected Weight Loss Drugs Totaled More Than \\$9 Billion in 2023, an Increase of 540 Percent From 2019](#), Dec. 16, 2024.

including the dates of service, diagnostic codes, National Drug Codes, and how much the MCO paid for the products or services.²

Diabetes and Obesity

More than 38 million Americans have diabetes, and 1 in 5 people with diabetes do not know they have diabetes. In the last 20 years, the number of adults with diabetes has more than doubled.³

Type 2 diabetes accounts for up to 95 percent of all diagnosed cases of diabetes. Type 2 diabetes is a disease that occurs when blood glucose, also called blood sugar, is too high. Type 2 diabetes most often develops in people 45 or older, but more and more children, teens, and young adults are also developing it.

According to the World Health Organization, obesity is a chronic complex disease defined by excessive fat deposits that can impair health. Obesity can lead to increased risk of type 2 diabetes and heart disease. Obesity can affect bone health and reproduction and increase the risk of certain cancers. According to the National Institutes of Health (NIH), a person is considered obese if their body mass index (BMI) is 30 or greater.⁴ BMI is a measure of body fat based on height and weight that applies to adults. According to the World Obesity Federation, the worldwide prevalence of obesity more than tripled between 1975 and 2022, with more than 1 billion people living with obesity.⁵ NIH estimates that over 40 percent of adults in the United States have obesity. As the number of people with obesity grows, so does the interest in diabetes drugs that are known to be highly effective weight loss agents.

Diabetes and Weight Loss Drugs

Certain diabetes drugs known as glucagon-like peptide 1 receptor agonists (GLP-1 drugs) were initially approved to help control blood sugar levels for individuals with type 2 diabetes. However, these drugs are known to be highly effective weight loss agents. GLP-1 drugs work by mimicking a hormone in the intestines to stimulate the release of insulin and reduce blood sugar after eating a meal. These drugs slow down food traveling through the digestive tract, which can help make someone feel full longer. GLP-1 receptor agonists are also present in parts of the brain that regulate appetite. GLP-1 drugs are most often injectable medications, meaning the person injects a liquid medication with a needle and syringe. While the FDA

² Encounter claims consist of a header and line records. The header record summarizes the information for the entire encounter claim, and the line records contain information for the individual products or services within the header record.

³ Centers for Disease Control and Prevention, CDC, [Diabetes Basics](#). Accessed Oct. 6, 2025.

⁴ National Institutes of Health, NIH, [Overweight & Obesity Statistics](#). Accessed Oct. 6, 2025.

⁵ World Obesity Federation, [Prevalence of Obesity](#). Accessed Oct. 6, 2025.

approved the first GLP-1 drug to treat type 2 diabetes in 2005, the majority of these medications are relatively new.

GLP-1 drugs have been widely researched and used as anti-obesity drugs in patients with or without diabetes. Certain GLP-1 drugs using higher dosages were examined as an effective means of weight loss, with clinical trials showing promising results. FDA approved a GLP-1 drug (Saxenda) to treat obesity beginning in 2014 as a daily injection and another GLP-1 drug (Wegovy) in 2021 as a weekly injection.

Besides GLP-1 drugs, there is a second class of diabetes drugs, sodium glucose cotransporter 2 inhibitors (SGLT-2 drugs), that may lead to weight loss and improved blood sugar control. SGLT-2 drugs lower blood sugar by causing the kidneys to remove sugar from the body through the urine.

Medicaid Coverage of Outpatient Drugs

As a condition of coverage or payment for a covered outpatient drug for which Federal financial participation (Federal share) is available, a State may require prior authorization before a drug is dispensed for any medically accepted indication. The term “medically accepted indication” means any use for a covered outpatient drug that is approved under the Federal Food, Drug, and Cosmetic Act, or the use of which is supported by one or more citations included or approved for inclusion in certain specified compendia.⁶ States maintain a list of preferred outpatient drugs that should be prescribed over others. These preferred drugs are drugs that the State has identified as the most cost-effective within each therapeutically equivalent or therapeutically similar class, or all drugs within such a class if the State does not differentiate between preferred and non-preferred drugs (42 CFR § 447.51). Section 1927 of the Act authorizes States to exclude from coverage or otherwise restrict drugs or classes of drugs when used for weight loss.

Federal laws and regulations allow FFS programs and MCOs to use prior authorization to limit services to prevent unnecessary utilization and ensure quality of care (section 1902(a)(30) of the Act, 42 CFR § 438.210). Prior authorization requires health care providers to obtain approval from a patient’s health insurer before providing a specific item, service, or medication. State Medicaid agencies and MCOs have flexibility to determine the medications and services for which they will require prior authorization. Prior authorization is frequently required for prescription drugs. Many MCOs use a formulary that lists drugs that the MCO encourages providers to prescribe over others (e.g., generic instead of brand-name drugs). To request prior authorization, health care providers submit clinical and administrative information for the MCOs to review and issue a prior authorization decision.

⁶ In this context, “compendia” refers to the American Hospital Formulary Service Drug Information, the United States Pharmacopeia-Drug Information (or its successor publications), and the DRUGDEX Information System.

Medicaid Drug Rebate Program

The Omnibus Budget Reconciliation Act of 1990 created the Medicaid Drug Rebate Program to help offset Federal and State costs for most prescription drugs dispensed to Medicaid enrollees. For Federal share to be available for covered outpatient drugs provided under Medicaid, manufacturers must enter into rebate agreements with the Secretary of Health and Human Services and pay quarterly rebates to State Medicaid agencies. These rebates decrease the overall cost of Medicaid prescription drugs and as a result decrease the amount of the Federal share. Section 1927(a)(1) of the Act states: “In order for payment to be available under section 1903(a) . . . for covered outpatient drugs of a manufacturer, the manufacturer must have entered into and have in effect a rebate agreement. . . .” Section 1903(a) of the Act provides for Federal share in State expenditures for these drugs. Additionally, State agencies may negotiate their own supplemental drug rebate agreements with drug manufacturers, either directly or through their contractors, for drugs dispensed to Medicaid enrollees.

Michigan Medicaid Outpatient Prescription Drug Requirements

The Michigan Department of Health and Human Services (State agency) contracts with MCOs to provide Medicaid enrollees with pharmacy services, including outpatient prescription drug coverage. During our 1-year audit period (October 1, 2023, through September 30, 2024), approximately 83 percent (1.4 million individuals) of Michigan’s Medicaid population received pharmacy services through MCOs. Michigan’s total spending on MCO pharmacy drug claims was over \$2.4 billion, and the State agency collected approximately \$1.6 billion in rebates for MCO drug claims (\$1.3 billion in Federal rebates and \$0.3 billion in supplemental rebates from drug manufacturers) during our audit period.

The State agency created a common drug formulary across all contracted MCOs to streamline drug coverage policies for enrollees and providers. The common drug formulary establishes the minimum coverage requirements for drugs covered by the MCOs. A single preferred drug list (SPDL) is a subset of the common formulary that the MCOs utilize for pharmacy coverage of select preferred drug products.

According to Michigan’s Medicaid managed care contracts, MCOs must provide pharmacy services to enrollees according to Federal and State requirements. In addition, MCOs must cover drugs on the SPDL in accordance with State coverage and utilization requirements, including but not limited to prior authorizations, quantity limits, age limits, and gender. MCOs must clearly document prior authorization approval justification for preferred drugs and non-preferred drugs on the SPDL.

MCOs contract with pharmacy benefit managers (PBM) to provide services including processing and paying prescription drug claims, assisting with prior authorizations, setting maximum allowable cost rates, and performing drug utilization reviews. Prescribing providers are responsible for reviewing an enrollee’s medical history, diagnosing illnesses, prescribing medications to address/alleviate the medical issues, and requesting prior authorization to

demonstrate medical necessity when required. The State agency and MCOs are responsible for ensuring utilization management and policy requirements are met prior to dispensing drugs. The MCOs must operate consistently with all applicable State Medicaid coverage and limitation policies.

HOW WE CONDUCTED THIS AUDIT

Our audit covered \$524.9 million in Michigan Medicaid managed care encounter paid claim lines (encounter claims) for 13 selected diabetes and weight loss drugs during the audit period.⁷ Table 1 below lists Michigan’s Medicaid gross spending and total encounter claims for the 10 selected diabetes drugs, and Table 2 on the next page lists these figures for the 3 selected weight loss drugs during our audit period.⁸

**Table 1: Michigan Medicaid Encounter Claims for 10 Selected Diabetes Drugs
From October 1, 2023, Through September 30, 2024**

Drug Brand Name	Therapeutic Class	Drug Class	FDA Original Approval Date	Total Encounter Claims	Gross Spending
Trulicity	Diabetic Therapy	GLP-1	9/18/2014	142,859	\$145,630,598
Ozempic	Diabetic Therapy	GLP-1	12/5/2017	34,915	35,249,958
Mounjaro	Diabetic Therapy	GLP-1	5/13/2022	30,697	32,158,860
Victoza	Diabetic Therapy	GLP-1	1/25/2010	13,773	12,195,537
Rybelsus	Diabetic Therapy	GLP-1	9/20/2019	2,651	3,142,499
Byetta	Diabetic Therapy	GLP-1	4/28/2005	317	272,656
Bydureon BCise	Diabetic Therapy	GLP-1	10/20/2017	238	206,704
Jardiance	Diabetic Therapy	SGLT-2	8/1/2014	99,614	85,158,482
Farxiga	Diabetic Therapy	SGLT-2	1/8/2014	57,284	45,419,388
Invokana	Diabetic Therapy	SGLT-2	3/29/2013	4,535	4,187,809
Totals				386,883	\$363,622,491

⁷ We selected 12 drugs that were covered in our prior [OIG audit report](#) plus one additional weight loss drug (Zepbound). The 13 drugs were selected based on having highly effective weight loss agents. We did not use medical review to determine whether these drugs were prescribed to Medicaid enrollees according to the drugs’ medically accepted indication.

⁸ Throughout this report we use the term “gross spending” to represent the encounter claim amount before any rebates were collected by the State agency.

**Table 2: Michigan Medicaid Encounter Claims for Three Selected Weight Loss Drugs
From October 1, 2023, Through September 30, 2024**

Drug Brand Name	Therapeutic Class	Drug Class	FDA Original Approval Date	Total Encounter Claims	Gross Spending
Wegovy	Anti-Obesity Agents	GLP-1	6/4/2021	109,857	\$141,661,543
Zepbound	Anti-Obesity Agents	GLP-1	11/8/2023	11,701	11,872,836
Saxenda	Anti-Obesity Agents	GLP-1	12/23/2014	6,595	7,777,196
Totals				128,153	\$161,311,575

We selected a stratified random sample of 105 diabetes and weight loss drug encounter claims totaling \$107,535 that were made on behalf of Michigan Medicaid managed care enrollees.⁹ We reviewed documentation to determine whether the State agency’s prior authorizations and quantity limitations were met before the selected drugs were dispensed to the Medicaid enrollees. In addition, we reviewed the Medicaid enrollees’ medical claim and prescription drug history to verify that the drug associated with the sampled encounter claim was dispensed in accordance with the State agency’s requirements.

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

Appendix A contains the details of our audit scope and methodology, and Appendix B contains our statistical sampling methodology.

RESULTS OF AUDIT

We determined that during our audit period selected diabetes and weight loss drugs were dispensed to Michigan Medicaid managed care enrollees in accordance with Federal and State requirements. The State agency ensured that the MCOs followed all outpatient prescription drug coverage and utilization requirements that were in place during our audit period, including prior authorizations and quantity limits, for all 105 encounter claims in our stratified random sample. As a result, this report contains no recommendations.

⁹ Our stratified random sample of 105 encounter claims consisted of 75 diabetes drugs (44 GLP-1 drugs and 31 SGLT-2 drugs) and 30 weight loss drugs. See Appendix B for details.

MICHIGAN PRIOR AUTHORIZATIONS AND QUANTITY LIMITS FOR SELECTED DIABETES AND WEIGHT LOSS DRUGS

Prior Authorizations for Selected Diabetes Drugs

Our 10 selected diabetes drugs were classified as preferred or non-preferred in the State agency's SPDL:

- GLP-1 non-preferred diabetes drugs – Bydureon BCise, Mounjaro, Ozempic, and Rybelsus
- GLP-1 preferred diabetes drugs – Byetta, Trulicity, and Victoza
- SGLT-2 preferred diabetes drugs – Farxiga, Invokana, and Jardiance

The State agency had specific prior authorizations in place for the four selected non-preferred diabetes drugs during our audit period. These requirements included a diagnosis of type 2 diabetes and one of the following: an allergy to the preferred drugs, contraindication¹⁰ to the preferred drugs, history of unacceptable side effects, or a trial and failure with one preferred drug in the same group.

The State agency's PBM indicated that shortages of GLP-1 weight loss drugs (Wegovy and Saxenda) created opportunities for potential off-label usage for the three GLP-1 preferred diabetes drugs. To better manage the appropriate use of these three drugs, the State agency implemented prior authorizations for the drugs beginning in February 2024. These requirements included a diagnosis of type 2 diabetes and a discontinuation of other GLP-1 drugs. As a result of implementing the new prior authorizations, we observed a 35-percent decline in Medicaid gross spending on Trulicity from January 2024 to February 2024, and an overall decrease of 39 percent during our 1-year audit period (Figure 1 on the next page).

¹⁰ A contraindication is a specific situation in which a medicine, procedure, or surgery should not be used because it may be harmful to the person.

Figure 1: Michigan Medicaid Monthly Gross Spending on Trulicity



Of the 44 sampled GLP-1 diabetes drug claims that we reviewed, we determined that prior authorizations were obtained from the prescribing providers and approved by the MCOs before the selected drugs were dispensed to the enrollees.

Beginning in November 2023, the State agency had quantity limits in place for all seven of our selected GLP-1 diabetes drugs. We found no issues with the quantity limitations during our review of the sampled encounter claims.

The State agency did not require prior authorizations for the three selected SGLT-2 diabetes drugs. Of the 31 sampled SGLT-2 diabetes drug encounter claims that we reviewed, we determined that the Medicaid enrollee's medical claim history listed a diagnosis of type 2 diabetes or another approved medically accepted indication. We found no issues with the State agency, MCO, or prescriber meeting the drug coverage requirements.

Prior Authorizations for Selected Weight Loss Drugs

The State agency had specific prior authorizations in place for the three selected weight loss drugs (Saxenda, Wegovy, and Zepbound) during our audit period. These requirements included age restrictions, BMI limitations, and prescribing provider attestations.¹¹ Of the 30 sampled weight loss drug encounter claims that we reviewed, we determined that prior authorizations were obtained from the prescribing providers and approved by the MCOs before the selected drugs were dispensed to the enrollees.

¹¹ The State agency's prior authorizations for anti-obesity agents that were in place during our audit period were generally similar to the current requirements listed in "[Michigan's Medicaid Health Plan Common Formulary Drug PA Criteria](#)," accessed on Oct. 6, 2025.

CONCLUSION

Because the State agency ensured, for the sample items we reviewed, that the MCOs followed all outpatient prescription drug coverage and utilization requirements that were in place during our audit period, including prior authorizations and quantity limits, this report contains no recommendations.

The State agency informed us that it did not have comments on our draft report.

OTHER MATTERS: MICHIGAN MEDICAID MONTHLY GROSS SPENDING FOR SELECTED DIABETES AND WEIGHT LOSS DRUGS

We observed that Medicaid monthly gross spending on some of our selected GLP-1 diabetes and weight loss drugs substantially increased during our 1-year audit period, which could have a financial impact on the Michigan Medicaid program.

Selected Diabetes Drugs

Michigan Medicaid monthly gross spending on two selected GLP-1 diabetes drugs substantially increased during our 1-year audit period. Specifically, monthly gross spending on:

- Mounjaro increased from \$1.5 million in October 2023 to \$3.6 million in September 2024 (a 137-percent increase) (Figure 2 below)
- Ozempic increased from \$2.1 million in October 2023 to \$3.4 million in September 2024 (a 65-percent increase) (Figure 3 below)

Figure 2: Michigan Medicaid Monthly Gross Spending on Mounjaro (1-Year Total of \$32.2 Million)



Figure 3: Michigan Medicaid Monthly Gross Spending on Ozempic (1-Year Total of \$35.2 Million)



Selected Weight Loss Drugs

Michigan Medicaid monthly gross spending on two selected GLP-1 weight loss drugs substantially increased during our 1-year audit period. Specifically, monthly gross spending on:

- Zepbound increased from \$52,299 in December 2023¹² to \$3.3 million in September 2024 (Figure 4 below)
- Wegovy increased from \$7.4 million in October 2023 to \$17.7 million in September 2024 (a 141-percent increase) (Figure 5 below)

Figure 4: Michigan Medicaid Monthly Gross Spending on Zepbound (1-Year Total of \$11.9 Million)



Figure 5: Michigan Medicaid Monthly Gross Spending on Wegovy (1-Year Total of \$141.7 Million)



¹² Zepbound was approved by FDA in November 2023, and Michigan Medicaid gross spending on Zepbound started in December 2023.

APPENDIX A: AUDIT SCOPE AND METHODOLOGY

SCOPE

Our audit covered \$524.9 million in Michigan Medicaid managed care encounter claims for 13 selected diabetes and weight loss drugs during October 1, 2023, through September 30, 2024 (audit period).

We selected a stratified random sample of 105 diabetes and weight loss drug encounter claims totaling \$107,535 that were made on behalf of Michigan Medicaid managed care enrollees. We reviewed documentation to determine whether the State agency's prior authorizations and quantity limitations were met before the selected drugs were dispensed to the Medicaid enrollees. In addition, we reviewed Medicaid enrollees' medical and prescription drug history to verify that the drug associated with the sampled encounter claim was dispensed in accordance with the State agency's requirements.

We assessed internal controls and compliance with laws and regulations necessary to satisfy the audit objective. Specifically, we assessed the design, implementation, and operating effectiveness of the State agency's internal controls related to control environment and monitoring of managed care encounter claims made on behalf of Medicaid enrollees. As part of our internal control review, we reviewed the State agency's policies and procedures for outpatient prescription drug coverage and utilization requirements including prior authorizations and quantity limits. However, because our review was limited to these aspects of internal control, it may not have disclosed all internal control deficiencies that may have existed at the time of this audit.

We conducted our audit work from April 2025 through February 2026.

METHODOLOGY

We took the following steps to accomplish our objective:

- Reviewed Federal laws, regulations, and guidance
- Reviewed the State agency MCO contracts, laws, policies and procedures to identify the State agency's outpatient prescription drug coverage and utilization requirements that were in place during our audit period

- Obtained Michigan Medicaid managed care encounter claims for 13 selected diabetes and weight loss drugs for our audit period from CMS’s Transformed Medicaid Statistical Information System (T-MSIS)¹³
- Created a sampling frame of 515,036 Michigan Medicaid managed care encounter claims for 13 selected diabetes and weight loss drugs during the audit period, totaling \$524.9 million
- Selected a stratified random sample of 105 diabetes and weight loss drug encounter claims totaling \$107,535 that were made on behalf of Michigan Medicaid managed care enrollees
- Validated the T-MSIS data for each sampled encounter claim by comparing current claim data from the State agency to determine whether the encounter claim information was accurate
- Obtained and reviewed the Medicaid enrollees’ medical and prescription drug history associated with our sampled encounter claims for calendar years 2023 and 2024
- Obtained and reviewed documentation including prior authorization history provided by the MCOs, the prescribing providers, and pharmacies to determine whether the State agency’s prior authorizations and quantity limits were met before the selected drugs were dispensed to the Medicaid enrollees
- Discussed the results of our audit with State agency officials

We shared our draft report with the State agency and it informed us that it did not have comments.

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

¹³ T-MSIS contains enhanced information about enrollee eligibility, provider enrollment data, service utilization data, claim and managed care data, and expenditure data. States submit their T-MSIS data to CMS monthly.

APPENDIX B: STATISTICAL SAMPLING METHODOLOGY

SAMPLING FRAME

Our sampling frame consisted of 515,036 Michigan Medicaid managed care encounter paid claim lines (encounter claims) for 13 selected diabetes and weight loss drugs during the audit period of October 1, 2023, through September 30, 2024, totaling \$524.9 million.¹⁴

SAMPLE UNIT

The sample unit was an encounter claim.

SAMPLE DESIGN AND SAMPLE SIZE

We used a stratified random sample outlined in Table 3.

Table 3: Sample Design Summary

Stratum	Frame Information			Sample Size
	Stratum Description	Number of Encounter Claims	Dollar Amount of Encounter Claims	
1	GLP-1 Diabetic Therapy	225,450	\$228,856,812	44
2	SGLT-2 Diabetic Therapy	161,433	134,765,679	31
3	GLP-1 Anti-Obesity Agents	128,153	161,311,575	30
	Totals	515,036	\$524,934,066	105

SOURCE OF RANDOM NUMBERS

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

METHOD FOR SELECTING SAMPLE UNITS

We sorted each stratum using the encounter claims' unique identification number and consecutively numbered the items in each stratum in the sampling frame. We generated random numbers for our sample according to our sample design, and we selected the corresponding sampling frame items for review.

¹⁴ The sampling frame includes encounter claims that were greater than \$1.

ESTIMATION METHODOLOGY

We did not report any estimates of unallowable costs in the sampling frame because no unallowable costs were found in the sample.

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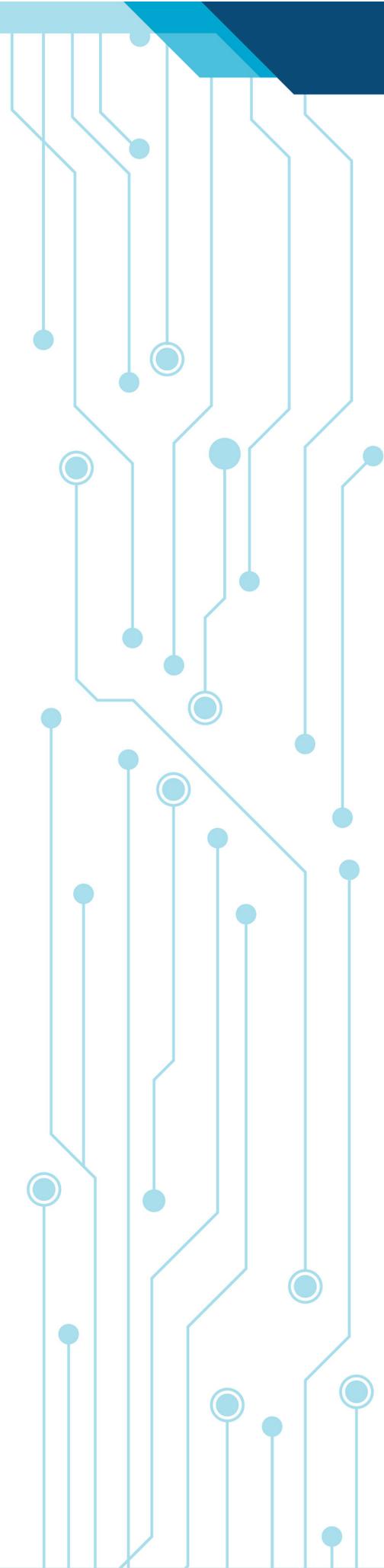
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