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Gavel to Gavel: Don't wait for the audit letter – Medicaid enforcement is shifting in Oklahoma

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Two announcements this month are bringing changes, and scrutiny, to the Oklahoma Medicaid field. On July 15, Gov. Kevin Stitt named State Chief Financial Officer Aaron Morris interim director of the Oklahoma Health Care Authority, following the departure of Clay Bullard after less than a year in the role. The next day, Attorney General Gentner Drummond announced an investigation into OHCA's handling of alleged fraud, waste, and abuse in the state's Medicaid managed care program, spurred by reports that a foreign-based crime ring fraudulently enrolled thousands of Oklahomans in Medicaid.

Whatever the outcome of the interagency dispute over who should have been notified and when, the practical takeaway for providers is the same: expect more scrutiny and prepare for it.

Traditionally, when a Medicaid agency changes leadership amid controversy, particularly when the new director's background is in finance and program integrity, as Morris's is, audit and recoupment activity increases. Both OHCA's Program Integrity Unit and the Attorney General's Medicaid Fraud Control Unit now have institutional incentives to demonstrate vigilance. Providers should anticipate the number of fraud referrals to climb, along with records requests, prepayment reviews, and managed care organization-level audits.

Now is the time to get ahead of the curve. Providers should refresh compliance programs that may have gone stale. For example:

- audit a sample of recent claims,
- verify documentation supports billed services,
- review managed care contract obligations, and
- confirm staff know how to respond if an investigator calls or a subpoena arrives.

These changes are set against the current atmosphere of increased artificial intelligence (AI) usage and a technology revolution in billing. Payers and enforcement agencies increasingly deploy AI and data analytics to flag billing anomalies such as upcoding patterns, impossible-day billing, and outlier utilization. Irregularities are detected faster but are also sometimes flagged incorrectly. Providers should adopt AI assisted coding and billing, but must ensure these tools are validated and monitored, not blindly trusted.

Leadership at OHCA will likely change again with a new administration in 2027. The enforcement trajectory, however, points to an increase in audits and compliance enforcement. Providers who treat this moment as a compliance checkup will be far better positioned than those who wait for the audit letter.

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