

Presentation to
Senate Health & Human Services
Committee

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INSPECTOR GENERAL
TEXAS HEALTH AND HUMAN SERVICES COMMISSION



Implementation of Sunset and SB 207 Requirements

Sunset legislation effected important reforms to IG operations:

- Incentivized collaboration with HHSC
- Reformed CAF hold standards
- Established new IG subpoena power
- Reduced preliminary investigation timelines to 45 days and full investigation timelines to 180 days
- Required a new extrapolation tool
- Increased transparency through quarterly reports, public website
- Required 10 day processing time for Medicaid provider background checks



Investigations Reforms

- Rules adopted implementing case resolution within the 45 and 180 day timeframes and categorizing and prioritizing cases.
- Policy, procedures and training implemented regarding the investigative process.
- Inventory, progress and completion of cases is monitored through dashboards and case management reports.
- Investigators coordinate with Special Investigations Unit when conducting provider investigations.
- IG has adopted and implemented theory of constraint management paradigm (“reality based management”) seeking to improve efficiency through the identification and elimination of constraints or “bottlenecks” within multiple linked activities.



Investigations Results

Medicaid Provider Integrity Results*

- 101 Open Preliminary Investigations
- 129 Open Full scale Investigations
- Average time to complete a preliminary investigation is 24.5 days
- Average time to complete a full scale investigation is 127.43 days
- 62 cases settled in FY2016
- \$5,728,129.39 gross amount of settlement agreements in FY2016

*July 31, 2016



Investigations Results

General Investigations

- Open Cases as of July 31, 2016: 25,270
- Types of cases:
 - Incorrectly reported household composition
 - Under-reported or unreported income
 - Unreported resources such as cash in the bank and assets
- Recoveries:

SFY2015	SFY2016 (Sept - June)
\$39,846,491	\$29,783,054



Investigations Results

- Referrals to District Attorney

SFY2015	SFY2016 (Sept - June)
1294	1025

- Time (days) to Case Closure

Type of Case	2015	2016
Administration Disqualification Hearing	200	149
District Attorney	219	144
No Claim	174	133
Agency Error	120	116
Client Error	108	108



Investigations Reforms

Improving Fraud, Waste and Abuse Detection in Medicaid, SNAP & TANF

- Joint initiative underway with HHSC to combat fraud in SNAP improving the quality of investigative referrals.
- Collaborate with FNS to enhance the required training of retailers and retailer employees regarding authorized and unauthorized SNAP transactions.
- Provide education and training to enhance the awareness of SNAP trafficking to the Texas County and District Attorney's at their annual conference.
- Work collaboratively with prosecuting authorities regarding illegal SNAP trafficking offenses.
- Provide training and collaborate on investigation opportunities with local and rural law enforcement agencies regarding SNAP trafficking offenses and SNAP cards discovered in other criminal offenses by the agencies.
- IG Integrity Initiative



Audit Reforms

Coordination with HHSC Medicaid/CHIP Division

- IG Audit and the HHSC Medicaid/CHIP Division (MCD) jointly developed rules addressing audits of Managed Care Organizations.
- Medicaid/CHIP Director is briefed on the status of all MCO audits during quarterly meetings.
- MCD staff is invited to status update meetings during the course of each MCO audit.
- MCD feedback is solicited through review of draft audit findings and recommendations.
- MCD staff is informed of audit notifications and key audit deliverables.



Audit Reforms

Coordination with HHSC Internal Audit Division

- IG Audit Plan draft is shared with HHSC Internal Audit for input and ensure no duplication of planned audit work.
- IG Audit and HHSC Internal Audit discuss high risk audit areas that will not be covered by Internal Audit.
- IG Audit includes HHSC Internal Audit in the distribution of audit notifications and key audit deliverables.



Inspections Development

- Newly formed division conducting systemic issue focused inspections across the HHS System to reduce fraud, waste, and abuse.
- Three inspections commenced in August.
 - Speech Therapy
 - Opioid Abuse
 - Medicaid Pediatric Dental Sedation
- WIC Vendor Monitoring Unit continues vendor compliance activities and in-store evaluations.



Chief Counsel Reforms

Payment Holds

- Guidelines regarding imposition of payment holds developed in consultation with the Medicaid Fraud Control Unit.
- Rules relating to payment holds adopted.
- Informal Resolution Process rules adopted.



Data & Technology Development

- Data management and analytics support for Investigations, Audits, and Inspections.
- Continuing improvement on data analytics to identify fraud, waste, and abuse.
- Developing performance dashboards for IG business and support areas.
- Implemented extrapolation process utilizing RAT-STATS tool.



Operations Reforms

- Provider enrollment screening complete within 2-3 days (10 day requirement per statute).
- Conducted 28,259 background checks for providers enrolling or re-enrolling in Medicaid.
- The Integrity Line averaged 3,751 calls received per month, with an 80 percent answer rate and an average of 7.7 minutes per call.
- Enhanced policy development and training:
 - IG Handbook in development promoting transparent policies and procedures empowering all IG staff to understand expectations and conduct their work effectively, and
 - IG Training program being established promoting understanding of HHS programs and providing knowledge and skills to become an effective Investigator, Auditor, and Inspector.



Stakeholder Outreach

- Outreach meetings held with top 10 MCOs discussing IG programs and operations and opportunities for partnership.
- Outreach and collaboration with federal partners instituted.
- Regular hospital stakeholder and dental stakeholder meetings.
- Joint training with HHS staff.
- IG Integrity Initiative launched.



Appendix



Organization

