Presentation to the Senate Finance Committee

Senate Bill 1, Article II

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OIG Fraud Hotline: 800-436-6184
Fiscal Year 2018 Accomplishments

• Strengthened managed care oversight
  • Increased the number and type of audits and inspections in managed care
  • Expanded medical utilization reviews to managed care
  • Investigated provider allegations of fraud, waste, or abuse across MCOs
  • Dedicated staff resources with managed care expertise to assess OIG business processes
  • Recommended MCO contract changes to improve detection of fraud, waste, and abuse in managed care

• Introduced more rigor, professionalism, and accountability
  • Developed dashboards containing performance metrics for each division
  • Increased number and array of professional trainings to improve core mission skills
  • Continued improvement of policies, procedures, and proactive communication to staff that increased understanding of job expectations

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Fiscal Year 2018 Accomplishments, Cont.

- Reinforced relationships with stakeholders
  - Regular meetings with stakeholders
  - Regional meetings with Medicaid providers and MCOs
  - Quarterly meetings with MCO Special Investigative Units dedicated to fraud, waste, and abuse
  - Collaborated with HHSC, MCOs, DMOs, and OAG through the Texas Fraud Prevention Partnership

- Focused on prevention
  - Initiated a prevention strategy
  - Produced publications related to identifying and reporting fraud, waste, and abuse for associations

- Recovered $115M in FY18, a 17 percent increase
## Fiscal Years 2018-19 / Senate Bill 1 Comparison

<table>
<thead>
<tr>
<th>Fiscal Years</th>
<th>General Revenue</th>
<th>All Funds</th>
<th>FTEs</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2018-19</td>
<td>$45,624,772</td>
<td>$108,591,123</td>
<td>736</td>
</tr>
<tr>
<td>FY 2020-21 LAR</td>
<td>$57,952,560*</td>
<td>$130,639,508*</td>
<td>736</td>
</tr>
<tr>
<td>FY 2020-21 SB 1</td>
<td>$45,507,980</td>
<td>$110,273,096</td>
<td>602</td>
</tr>
<tr>
<td>Variance, FY 2018-19 to SB 1</td>
<td>($116,792)</td>
<td>$1,681,973</td>
<td>(134)</td>
</tr>
</tbody>
</table>

*includes original EI requests
Exceptional Item 1

Automated System for the Office of Inspector General (ASOIG) Remediation

<table>
<thead>
<tr>
<th></th>
<th>FY20</th>
<th>FY21</th>
<th>Biennium</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Revenue</td>
<td>$1.4</td>
<td>$0.4</td>
<td>$1.8</td>
</tr>
<tr>
<td>All Funds</td>
<td>$2.4</td>
<td>$0.7</td>
<td>$3.0*</td>
</tr>
</tbody>
</table>

*Total appears different due to rounding

- Remediation will increase staff efficiency, reduce reporting risks, and improve data access
- ASOIG is a legacy system that operates inefficiently
- ASOIG is used to track the stages of a client referral through the investigations process in real-time
- Benefits Program Integrity identifies 1/3 of all of our recoveries using ASOIG for case management

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Exceptional Item 2

Improper Payment Recoveries

<table>
<thead>
<tr>
<th>$ in Millions</th>
<th>FY20</th>
<th>FY21</th>
<th>Biennium</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Revenue</td>
<td>$0.4</td>
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<td>$0.8</td>
</tr>
<tr>
<td>All Funds</td>
<td>$0.8</td>
<td>$0.7</td>
<td>$1.5*</td>
</tr>
</tbody>
</table>

*Total appears different due to rounding

- Requesting FTE authority and associated funding for 10 staff within the Benefits Program Integrity Division
- Additional investigators will protect the integrity of the Texas Medicaid system by:
  - improving client eligibility, and
  - increasing taxpayer dollars identified for recovery
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