

TEXAS HEALTH AND HUMAN SERVICES COMMISSION
OFFICE OF INSPECTOR GENERAL

UNCLAIMED FUNDS

*Inspection of the Process to Recover HHSC Funds from
the Texas Comptroller's Unclaimed Property Program*



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HHSC OIG

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SERVICES COMMISSION

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WHY THE OIG CONDUCTED THIS INSPECTION

The OIG conducted an inspection to determine if Texas Medicaid Healthcare Partnership (TMHP) - Third Party Liability(TPL) has effective processes to recover HHSC identifiable funds from the Texas Comptroller of Public Accounts, Unclaimed Property Program.

Inspectors obtained information from HHSC– Accounts Receivable, OIG Budget, OIG Chief Counsel, OIG Third Party Recovery, Texas Comptroller of Public Accounts Unclaimed Property Program (UPP), and TMHP –TPL.

Texas statute requires businesses, government agencies, and other entities to report unclaimed funds and abandoned property to the Texas Comptroller of Public Accounts. The Texas Comptroller of Public Accounts established the UPP to administer these funds. Administration includes collecting and distributing funds from the UPP in accordance with state law.

WHAT THE OIG RECOMMENDS

The OIG Inspections and Investigations Division recommends:

1. HHSC-AR should coordinate with TMHP-TPL to recover claims from the UPP annually.
2. HHSC-AR could coordinate with TMHP-TPL to request insurance carriers provide annual notification of uncashed checks.

View the report online at:

<https://oig.hhsc.texas.gov/>

For more information, contact:

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WHAT THE OIG FOUND

The Texas Comptroller's Unclaimed Property Program (UPP) manages a database of approximately 44 million Texas claimable properties valued at more than \$5.2 billion. The entity possessing the unclaimed funds is the holder. Holders include insurance companies, education institutions, and government entities. The UPP requires the holder to retain unclaimed funds for a specified number of years depending on the type of property, known as the abandonment period.

The inspection identified HHS System funds totaling \$1,004,119 in the Unclaimed Property Program not previously recovered.

Texas Medicaid Healthcare Partnership (TMHP) - Third Party Liability(TPL) provides contract services for Texas Medicaid, such as: (a) tort recoveries; (b) cost avoidance; and (c) ensuring Texas Medicaid is the payer of last resort. They also provide other services on an infrequent basis, such as recovering unclaimed funds from the UPP.

TMHP-TPL and HHSC – Accounts Receivable (AR) share a process to identify and recover HHSC funds from the UPP in which AR requests data from the UPP identifying unclaimed funds using a list of 42 keywords. These keywords identify funds in the UPP database associated with HHSC entity names. AR recovers HHSC funds from the UPP including Texas Medicaid funds identified by TMHP-TPL.

The OIG Inspections found TMHP-TPL and HHSC - AR have a process to identify and recover HHSC identifiable funds from the UPP. TMHP-TPL and AR performed this process annually from 2014 to 2018 using a limited number of keywords to search the UPP database for funds. However, the contract regulating TMHP-TPL does not require them to identify or recover all HHSC funds from the UPP. Additionally, checks sent to HHSC related entities may not always be forwarded to AR for deposit. HHSC would benefit from a more robust keyword search process to ensure it receives all funds owed. The inspection identified HHSC funds totaling \$1,004,119 in the UPP not previously recovered.

The OIG Inspections division makes the following two recommendations. HHSC agreed with both recommendations:

- HHSC-AR should coordinate with TMHP-TPL to recover claims from the UPP annually.
- HHSC-AR could coordinate with TMHP-TPL to request insurance carriers provide annual notification of uncashed checks.

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I. PURPOSE

The Texas Health and Human Services Commission (HHSC) Office of Inspector General (OIG) Inspections and Investigations Division (IID) conducted an inspection to determine if Texas Medicaid Healthcare Partnership (TMHP) - Third Party Liability (TPL) has effective processes to recover HHSC identifiable funds from the Texas Comptroller of Public Accounts, Unclaimed Property Program.

II. BACKGROUND

Texas statute requires businesses, government agencies, and other entities to report unclaimed funds and abandoned property to the Texas Comptroller of Public Accounts.¹ The Texas Comptroller of Public Accounts established the Unclaimed Property Program (UPP) to administer these funds.² Administration includes collecting and distributing funds from the UPP in accordance with state law. The inspection identified HHSC funds totaling \$1,004,119 in the UPP not previously recovered.

Unclaimed Property Program

The UPP has a database of approximately 44 million claimable properties valued at more than \$5.2 billion. The entity possessing the unclaimed funds is the holder. Holders include insurance companies, education institutions, and government entities. The UPP requires the holder to retain unclaimed funds for a specified number of years depending on the type of property, known as the abandonment period.³ Table 1 shows common abandonment periods.

¹ The Texas Comptroller of Public Accounts has required institutions to report unclaimed property since 1963, retrieved from: <http://claimitexas.org/app/faq-ucp>

² The Texas Property Code, Title 6. Unclaimed Property, Chapter 74 authorizes the Texas Comptroller of Public Accounts, Unclaimed Property Program, to manage unclaimed funds, retrieved from: <http://statutes.capitol.texas.gov/Docs/PR/htm/PR.74.htm>

³ The 2019 Texas Comptroller of Public Accounts, Unclaimed Property Reporting Instructions identify the abandonment period as the number of years the holder may retain the property before sending it to the Texas Comptroller. An uncashed check is typically considered unclaimed and abandoned after three years. This information can be found in the 2019 Unclaimed Property Reporting Instructions, retrieved from: <http://www.county.org/TAC/media/TACMedia/Education/Event%20Presentation%20Materials/2019/CTAT-Spring-Conference/11-Unclaimed-Property-Reporting-Instructions.pdf>

Table 1. Abandonment periods for common types of unclaimed property

Item	Type of funds	Number of years abandoned
a.	Utility deposits	1
b.	Gift cards	3
c.	Insurance proceeds	3
d.	Most types of uncashed checks	3
e.	Safe deposit boxes	5

Source: *OIG Inspections and Investigations Division based on the 2019 Texas Comptroller of Public Accounts, 2019 Unclaimed Property Reporting Instructions, as of May 2019*

Unclaimed funds reporting process

In accordance with state law, on March 1st of each year the holders must identify any unclaimed funds which meet the abandonment time-period requirements. For funds valued at more than \$250, the holder will notify the owner via mail by May 1st that they will forward the unclaimed funds to the UPP unless claimed by the owner.⁴ The holder must submit a report to the UPP by July 1st to identify the unclaimed funds and remit payment. Unclaimed funds will remain in the UPP until claimed by the owner.⁵

Recovery process for HHSC funds in the UPP

TMHP-TPL provides contract services for Texas Medicaid, such as: (a) tort recoveries; (b) cost avoidance; and (c) ensuring Texas Medicaid is the payer of last resort. They also provide other services, such as recovering unclaimed funds from the UPP.

TMHP-TPL and HHSC – Accounts Receivable (AR) share a process to identify and recover HHSC funds from the UPP in which AR requests data from the UPP identifying unclaimed funds using a list of 42 keywords. These keywords identify funds in the UPP database associated with HHSC entity names. AR recovers HHSC funds from the UPP including Texas Medicaid funds identified by TMHP-TPL. Table 2 shows keywords used by TMHP-TPL and AR to search the UPP database to identify claims for recovery.

⁴ The 2019 Texas Comptroller of Public Accounts, Unclaimed Property Reporting Instructions do not require the holder to provide notification by mail to property owners entitled to \$250 or less.

⁵ The Texas Comptroller of Public Accounts, Unclaimed Property Program website, retrieved from: <http://claimitexas.org/app/faq-ucp>, states there is no statute of limitations for unclaimed property. Funds reported will remain there indefinitely until returned to their rightful owner.

Table 2. TMHP-TPL and AR 42 keyword search terms

DADS	Office of the Inspector General	Texas Medicaid Healthcare
DARS	OGC	Third Party Liability
Department of Aging and Disability Services	OIG	Third Party Recovery
Department of Assistive and Rehabilitative Services	Star Medicaid	Third Party Resources
DHS	TDH	TMHP
HHSC	TDHS	TMHP Insurance
Medicaid	Texas Department of Health	TMHP TORT
Medicaid TORT	Texas Department of Human Services	TMHP TPL
Medicaid TPL	Texas Health and Human Services Commission	TMHP TPR
Medicaid TPR	Texas Medicaid	TORT
National Heritage Insurance Company	Texas Medicaid and Healthcare	TPL
NHIC	Texas Medicaid and Healthcare Partnership	TPR
NHIC TPL	Texas Medicaid HEA	TPL Unit B
Office of General Counsel	Texas Medicaid Health	TPR Unit B

Source: OIG Inspections and Investigations Division based on AR and TMHP-TPL process instructions, as of April 2019

UPP queries their database for the requested 42 keywords and sends the results to TMHP-TPL and AR to identify claims for recovery, as follows: (a) claims matching an unpaid, open AR; or (b) claims which identify HHSC as the owner. Once TMHP-TPL and AR identify all claims to recover, AR submits a final claim to the UPP to recover HHSC funds. The UPP will process the claim and forward the funds. HHSC deposits the recovered funds and sends a check to TMHP-TPL for the claims they identified. This completes the identification and recovery process until the next February.

III. INSPECTION RESULTS

The OIG Inspections and Investigations Division found TMHP-TPL and AR have a process to identify and recover HHSC identifiable funds from the UPP. TMHP-TPL and AR performed this process annually from 2014 to 2018 using a limited number of keywords to search the UPP database for funds. However, the contract regulating TMHP-TPL does not require them to identify or recover all HHSC funds from the UPP.⁶ Additionally, checks sent to HHSC related entities may not always be forwarded to AR for deposit. HHSC would benefit from a more robust keyword search process to ensure it receives all funds owed.

Observation 1: TMHP-TPL searches for funds owed to HHSC using a limited process.

Holders remit funds to HHSC each year for a variety of reasons such as refunds and debt resolution. However, HHSC entities do not always deposit these funds. OIG research indicates funds or checks may not always be forwarded to AR for deposit. If checks are not deposited, holders must forward these funds to the UPP after a specified amount of time, typically three years for an uncashed check.

TMHP-TPL and AR share a process to identify and recover unclaimed funds. This process searches the UPP database for a list of 42 keywords to identify HHSC funds by their entity names and acronyms. They performed this process annually from 2014 to 2018 and recovered a total of \$1,572,783. See Table 4. In 2018 TMHP-TPL and AR, and the inspection team, performed two separate queries with different results. Table 3 shows the results of 121 additional keyword search terms used by the inspection team.

⁶ Texas Medicaid Management Information System (MMIS) contract regulates TMHP-TPL.

Table 3. Different query results between TMHP-TPL and AR, and OIG-IID

Number	Results category	Organization	
		TMHP-TPL and AR	OIG-IID
1	Claims identified by each query	1,082	2,143
2	Dollars identified by each query	\$760,430	\$1,575,403
3	Total claims identified by both queries	553	
4	Total dollars identified by both queries	\$571,283	
5	Total claims not duplicated in either query	529	1,590
6	Total dollars not duplicated in either query	\$189,147	\$1,004,119

Source: OIG Inspections and Investigations Division, OIG – Data and Technology (DAT), and data provided by TMHP-TPL, as of May 2019

The inspection identified funds through a database query and manual review which matched HHSC entities by their names and locations, both past and present. The inspection also identified funds through manual searches for incorrect data, such as misspelled entity names and incorrect post office (PO) box numbers located in the wrong city.

The inspection identified \$1,004,119 in existing recoverable claims from the UPP with an estimated future annual recovery of approximately \$250,000 by using additional search terms. A more robust annual process may identify and recover the maximum amount of HHSC funds.

Recommendation 1: HHSC-AR should coordinate with TMHP-TPL and perform a more robust keyword search to recover the maximum amount of claims from the UPP.

Management Response to Recommendation 1: HHSC Accounting does agree that a coordination between the OIG Inspections and Investigations Division and TMHP-TPL would result in greater claim recoveries.

Implementation Plan: HHSC-AR will coordinate with OIG Inspections and Investigations Division to expand the search using their more robust search criteria and OIG Data Analytical Department.

Target Implementation Date: The next scheduled recovery, May 2020

Responsible Party: HHSC Accounts Receivable

Observation 2: HHSC entities may not forward all checks to AR for deposit.

The inspection analyzed the identified HHSC unclaimed property to understand why holders reported the funds to the UPP. A sample of these claims found the majority of the holders are insurance companies. Two claim holders responded to questions and provided similar responses about their process.

When the holder owes funds to an organization they will remit a check. If the owner does not cash this check within a year the holder will send them a letter to inquire if they received the check or if it needs replacement. If the check remains uncashed after three years another letter is sent to the owner to inquire if they received the check or if it needs replacement. If the check remains uncashed after these attempts the UPP requires the holder to forward the funds to the UPP. These funds are the property of the owner and will remain in the UPP until claimed.

AR could coordinate with TMHP-TPL to implement a recovery policy to request insurance carriers provide annual notification of uncashed checks and confirmation of all funds owed. This recovery process would provide assurance the maximum number of uncashed checks are identified and credited to HHSC prior to transfer to the UPP. Preventing transfer of funds to UPP could significantly reduce the need to recover and the risk these funds may never be identified and recovered from the UPP.

Recommendation 2: HHSC-AR could coordinate with TMHP-TPL to request insurance carriers provide annual notification of uncashed checks.

Management Response to Recommendation 2: HHSC Accounting does agree a notification from TMHP to insurance carriers requesting notification of uncashed checks would be beneficial. OIG Inspections and Investigations Division and HHSC Accounting will notify the Medicaid Contract Manager Division to validate if requiring TMHP-TPL to request insurance carriers provide annual notification of uncashed checks is a stipulation of the current Accenture Contract.

Implementation Plan: HHSC Accounting is under the understanding OIG Inspections and Investigations has already reached out to TMHP and made the recommendation to notify Insurance Carriers on an annual basis to report any uncashed checks. HHSC AR will follow up with TMHP each year during the UPP process to ensure they have made the request.

Target Implementation Date: The next scheduled recovery, May 2020.

Responsible Party: HHSC Accounts Receivable.

IV. CONCLUSION

The OIG Inspections and Investigations Division found TMHP-TPL and AR have a process to identify and recover HHSC identifiable funds from the UPP. TMHP-TPL and AR performed this process annually from 2014 to 2018 using a limited number of keywords to search the UPP database for funds. However, the contract regulating TMHP-TPL does not require them to identify or recover all HHSC funds from the UPP. Additionally, checks sent to HHSC related entities may not always be forwarded to AR for deposit. HHSC would benefit from a more robust keyword search process to ensure it receives all funds owed.

The OIG Inspections and Investigations Division made the following observations:

- TMHP-TPL searches for funds owed to HHSC using a limited process.
- HHSC entities may not forward all checks to AR for deposit.

The OIG Inspections and Investigations Division makes the following recommendations:

- HHSC-AR should coordinate with TMHP-TPL and perform a more robust keyword search to recover the maximum amount of claims from the UPP.
- HHSC-AR could coordinate with TMHP-TPL to request insurance carriers provide annual notification of uncashed checks.

The OIG Inspections and Investigations Division thanks HHSC – Accounts Receivable, Texas Comptroller of Public Accounts – Unclaimed Property Program, and TMHP – Third Party Liability.

V. APPENDICES

Appendix A: Detailed Methodology

Methodology

Research started in February 2017 when the inspection team discovered abandoned funds identifying Medicaid as the owner on the UPP website, claimtexas.org. The Texas Comptroller's Unclaimed Property Program operates this website for the public to conduct searches of unclaimed funds by first name, last name, or business name.

In July 2017, the UPP queried their database using the keyword search terms of TMHP, Texas Medicaid Health Partnership, Texas Medicaid, and Medicaid. This query identified 793 claims totaling \$601,274.

In August 2018, the team requested the entire database of claims to analyze for additional keywords. The UPP provided 33 text document files, one for each year from 1986 to 2018. This identified all claims over \$25 in value.

In October 2018, OIG DAT queried the 33 files using a list of 163 keywords, addresses, and search patterns to identify HHSC and Texas Medicaid claims. This query identified 98,556 claims totaling \$46 million. The inspection team analyzed these query results and manually removed each account not identified as HHSC or Texas Medicaid property.

Keyword searches

The inspection team developed keywords as an efficient method to identify each individual unclaimed property in an enormous database. This resulted in an extensive list of keywords, addresses, ZIP codes, cities, and search patterns to efficiently examine the data. The initial searches started with the most commonly known entity names and acronyms in HHSC and Texas Medicaid, then focused on the entity addresses. The query identified large groups of entities by focusing on the addresses, post office (PO) box numbers, cities, and ZIP codes.

The keyword searches also identified ways to examine the data to find additional claims that did not clearly reflect the owner name or address as HHSC or Texas Medicaid property. This included search patterns, such as: (a) using misspelled keywords; (b) searching for information in the wrong data fields; or (c) searching partial names or number combinations. For example, OIG research indicated search patterns such as: (a) claims showing the owner name as Medicad or Medicate, resulting in the keyword of Medic to find these claims; (b) claims identifying Medicaid in the address field; or (c) claims with a commonly used PO box number that is missing a digit or contains the wrong city.

Keywords, Addresses, and Search Techniques

a. Search Field - Owner Name

Agency; Aging; APS; Assistive; Assist; Brown Heatley; Heatl; Childrens Health Ins; CHIP; Claims; CPS; CSHCN; DADS; DARS; Department Of State; Dept Of State; Dept State Health; Dept Health; DFPS; Disability; Division Of Vital Records; DSHS; Foster Care; Health & Human; Health And Human Services; Health Human; Health Management Systems; HHSC; HMS; Human Services; KHCP; Managed Care; MCO; MDCP; Medic; Medicaid; Mental Health; Molina Tx CHIP STAR; NHIC; Office Of Inspector General; OIG; PCCM; Primary Care Case MGT; Protective; Regulatory; Prtnrshp; Recovery; Riata; Star Health; Star Kids; Star Plus; State Health Services; State Hospital; State Of Tx; State Of Tx Medicare; STEPS; Texas Childrens; Texas Childrens Health; Texas Department; Texas Department Of Aging; Texas Department Of Aging; Texas Department Of Health; Texas Department Of Human; Texas Department Of State; Texas Dept; Texas Dept Of Health; Texas Dept Of State; Texas Dept Of State Health; Texas Dept. Of State Health; Texas Health & Human Service; Texas Health Steps; Texas HHS; Texas Human; Texas Rehabilitation; Texas State Health; Texas Vital Records; Third Party; THSTEPS; TMHP; TORT; TPL; TX; Dept; Tx Childrens Health; Tx Department; Tx Dept Of Aging; Tx Dept Of Assistive; Tx Dept Of Protective; Tx Dept Of St Health; Tx HHS; Tx Kidney; VDP; Vendor Drug Program; Vital Records; Vital Statistics; Bureau; VSU.

b. Search Field - Address Line 1

909; 1100; 1106; 1901; 2323; 4110; 4900; 6300; 11044; 11101; 11501; 12040; 12196; 13247; 14200; 20555; 85200; 149030; 149055; 149200; 149347; 200329; 200345; 200555; 200645; 200735; 200795; 200855; 201120; 202018; 202917; 202947; 202948; 202949; 202950; 202952; 202977; 202978; 204031; 204077; 204270; 301051; 301604; 301674; 659777; 796069; Dickinson; Metric; Riata; Tort; TPL.

c. Search Field – City

Austin; Houston; Farmington.

d. Multiple Field Search - Name and Address Fields

CHIP; CSHCN; DADS; DARS; DFPS; DSHS; HHSC; HMS; Medicaid; NHIC; OIG; TMHP; Tort; TPL.

Query results

Claims were found by searching the database with the list of keywords, addresses, and search terms developed by the team. Table 4 shows a comparison of the UPP queries performed by both organizations to identify and recover HHSC and Texas Medicaid claims.

Table 4. Comparison of UPP query results identifying HHSC and Texas Medicaid claims.

Year	Organization	
	TMHP-TPL and AR	OIG-IID
2014	\$463,401	\$0
2015	\$55,849	\$0
2016	\$258,697	\$0
2017	\$34,406	\$0
2018	\$760,430	\$1,588,661
Total dollars identified	\$1,572,783	\$1,588,661

Source: OIG-IID; OIG-DAT, and data provided by TMHP-TPL, as of May 2019

Standards

The OIG Inspections and Investigations Division conducts inspections of the Texas Health and Human Services programs, systems, and functions. Inspections are designed to be expeditious, targeted examinations into specific programmatic areas to identify systemic trends of fraud, waste, or abuse. Inspections typically result in observations and may result in recommendations to strengthen program effectiveness and efficiency. The OIG Inspections and Investigations Division conducted the inspection in accordance with Quality Standards for Inspection and Evaluation issued by the Council of the Inspectors General on Integrity and Efficiency.

Appendix B: Report Team and Report Distribution

Report Team

The OIG staff members who contributed to this report include:

- Lisa Campos Garza, CFE, CGAP, Assistant Deputy Inspector General for Inspections
- Troy Neisen, CPA, Director for Inspections
- James Aldridge, Team Lead for Inspections
- Pat Krempin, Inspector
- Jill Townsend, Editor
- Olga Jerman, PhD, Investigative Data Analyst for Data and Technology

Report Distribution

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- Courtney N. Phillips, PhD, Executive Commissioner
- Cecile Erwin Young, Chief Deputy Executive Commissioner
- Ruth Johnson, Chief Operating Officer
- Victoria Ford, Chief Policy and Regulatory Officer
- Karen Ray, Chief Counsel
- Wayne Salter, Deputy Executive Commissioner, Access and Eligibility Services
- Stephanie Muth, Deputy Executive Commissioner, Medicaid and CHIP Services
- Todd B. Byrnes, Deputy Associate Commissioner, Eligibility Operations
- Nicole Guerrero, Director, Internal Audit

Appendix C: OIG Mission and Contact Information

Inspector General Mission

The mission of the OIG is to prevent, detect, and deter fraud, waste, and abuse through the audit, review, investigation, and inspection of federal and state taxpayer dollars used in the provision and delivery of health and human services in Texas. The senior leadership guiding the fulfillment of OIG's mission and statutory responsibility includes:

- Sylvia Hernandez Kauffman, Inspector General
- Dirk Johnson, OIG Chief Counsel
- Susan Biles, OIG Chief of Staff
- Christine Maldonado, Chief of Operations and Workforce Leadership
- Quinton Arnold, Chief of Inspections and Investigations
- Steve Johnson, Chief of Medicaid Program Integrity
- Kacy VerColen, Interim Director of Audit
- Kim Davis, Interim Director of Policy and Data and Technology

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- Online: <https://oig.hhsc.texas.gov/report-fraud>
- Phone: 1-800-436-6184

To contact the Inspector General

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