

Overview of the Lock-In Program

Legal Authority

The Inspector General (IG) Lock-In Program operates under guidelines and regulations contained in:

Texas Administrative Code (TAC)

- TAC, Title 1, Part 15, Chapter 354, Subchapter K

Code of Federal Regulations (CFR)

- CFR, Title 42, Part 431.54(e)

Overview

Lock-In Program staff conduct reviews and analysis of data and incoming referrals, including referrals from managed care organizations (MCO), medical providers, state agencies, law enforcement officials, and members of the general public that identify Texas Medicaid recipients who may meet criteria for lock-in.

The Lock-In Program restricts an individual's access to a single designated pharmacy and, in some instances, to a single provider for primary care, if it finds that:

- A recipient received duplicative, excessive, contraindicated, or conflicting health care services, including drugs.
- Abuse, misuse, or fraudulent actions related to Medicaid benefits and services is likely to exist.

Lock-In Program staff review MCO referrals for accuracy and appropriate lock-in designation based on defined Lock-In Program criteria. Since the expansion of Medicaid managed care in March 2012, Lock-In Program staff periodically train MCOs on the (a) lock-in referral process and (b) use of acute care and pharmacy criteria to identify members meeting Lock-In Program criteria.

In September 2014, the Lock-In Program began piloting an MCO lock-in process. Under this pilot, an MCO that demonstrates a high degree of accuracy in its referrals to the Lock-In Program may initiate lock-ins without prior approval from the Lock-In Program. Lock-In Program staff support the pilot by providing oversight and education, and by periodically reviewing MCOs' lock-in decisions for accuracy and compliance with applicable criteria. In September 2015, additional MCOs with a history of accurately identifying potential lock-in members began using the streamlined process, called "automatic lock-in".

Medicaid recipients who meet the criteria for lock-in are restricted to the use of a designated pharmacy or provider for a period of either 36 months (initial referral) or 60 months (subsequent review). Repeated patterns of attempted misuse may result in a lifetime of restricted use of Medicaid pharmacy or provider services. Although restricted, an individual’s access to care and services is maintained throughout the duration of the lock-in period. In certain situations, where the designated pharmacy or provider may not be readily available to the recipient, Lock-In Program staff may override the lock-in status or reassign the recipient to another pharmacy or provider to ensure the recipient has continued access to care.

Recipients are advised of their lock-in status through notification letters and through a designation on their Medicaid Identification Card. Recipients may appeal the lock-in status within 90 days of notification.

Results

In fiscal year 2015, a total of 1,147 Medicaid recipients, including both fee-for-service and managed care recipients for STAR and STAR+PLUS, were designated with lock-in status. The number of recipients has nearly tripled since fiscal year 2013 due to the managed care expansion, traditional Medicaid fee-for-service recipients' migration to the managed care delivery system, and implementation of the automatic lock-in process.

While the primary purpose of the Lock-In Program is the health and safety of the recipients and to prevent fraud, waste, and abuse, a potential cost avoidance is identified based on a formula that compares pharmacy utilization for a recipient in the year before the individual was placed in lock-in status with the individual’s utilization during the first year in lock-in status. For fiscal years 2014 and 2015, the Lock-In Program identified cost avoidance of \$115,840 and \$59,882. The cost and quality of prescribed medications and the unique needs of a relatively small number of members resulted in a significantly lower cost avoidance in fiscal year 2015.

Fiscal Year	Medicaid Recipients	Cost Avoidance
2013	432	N/A*
2014	648	\$115,840
2015	1,147	\$ 59,882

**Cost avoidance was not implemented until fiscal year 2014.*

Training

Lock-In Program staff provide support and training through quarterly meetings with MCOs.