

# INSPECTOR GENERAL

## TEXAS HEALTH AND HUMAN SERVICES COMMISSION

### TWO-YEAR ROLLING AUDIT PLAN

---

*Fiscal Years 2017 - 2018*



September 2016

## TABLE OF CONTENTS

INTRODUCTION.....	3
AUDIT AUTHORITY .....	4
AUDIT UNIVERSE .....	5
RISK ASSESSMENT .....	8
TYPES OF AUDITS .....	9
AUDITS IN PROGRESS .....	10
AUDIT PLAN .....	15
AUDIT REPORTS ISSUED IN FISCAL YEAR 2016.....	21

---

# INTRODUCTION

## **The Role of IG**

In 2003, the 78th Texas Legislature created the Office of Inspector General to strengthen the Health and Human Services Commission's (HHSC) capacity to combat fraud, waste, and abuse in publicly funded state-run Health and Human Services programs.

The Inspector General's (IG) mission, as prescribed by statute, is the "prevention, detection, audit, inspection, review, and investigation of fraud, waste, and abuse in the provision and delivery of all health and human services in the state, including services through any state-administered health or human services program that is wholly or partly federally funded, and the enforcement of state law relating to the provision of these services."

IG's primary tools for detecting, deterring, and preventing fraud, waste, and abuse are audits (conducted under the federal "Yellow Book" standard); investigations (conducted pursuant to generally accepted investigative policies); and inspections (conducted under the federal "Silver Book" standard).

## **IG Principles**

### **Vision**

To become the leading state IG in the country.

### **Values**

Professionalism, Productivity, Perseverance.

### **Mission**

To detect, prevent, and deter fraud, waste, and abuse through the audit, investigation, and inspection of federal and state taxpayer dollars used to deliver health and human services in Texas.

## AUDIT AUTHORITY

Texas Government Code Section 531.102 creates the IG, and gives the IG the responsibility to audit fraud, waste, and abuse in the provision and delivery of all health and human services in the state, including services through any state-administered health or human services program that is wholly or partly federally funded.<sup>1</sup>

Section 531.102(h)(4) permits the IG to audit the use and effectiveness of state and federal funds, including contract and grant funds, administered by a person or state agency receiving the funds from a health and human services agency.<sup>2</sup>

Section 531.1025(a) permits the IG to conduct a performance audit of any program or project administered or agreement entered into by the commission or a health and human services agency.<sup>3</sup>

Section 531.113(d-1) mandates that the IG investigate, including by means of regular audits, possible fraud, waste, and abuse by managed care organizations.<sup>4</sup> Section 531.102(s) also recognizes the IG's authority to utilize a peer-reviewed sampling and extrapolation process when auditing provider records.<sup>5</sup>

---

<sup>1</sup> Tex. Gov. Code § 531.102(a) (Sept. 1, 2015)

<sup>2</sup> Tex. Gov. Code § 531.102(h)(4) (Sept. 1, 2015)

<sup>3</sup> Tex. Gov. Code § 531.1025(a) (Sept. 1, 2015)

<sup>4</sup> Tex. Gov. Code § 531.113(d-1) (Sept. 1, 2015)

<sup>5</sup> Tex. Gov. Code § 531.102(s) (Sept. 1, 2015); See also 1 Tex. Admin. Code § 371.35 (May 15, 2016) wherein the IG adopted RAT/STATS, statistical software available from the United States Department of Health and Human Services Office of Inspector General and policies and procedures consistent with the mathematical processes for sampling and overpayment estimation described in the Centers for Medicaid and Medicare Services Program Integrity Manual.

# AUDIT UNIVERSE

The audit universe represents an inventory of all potential areas that can be audited, which are commonly referred to as auditable units. The IG Audit Division defines its audit universe as the departments, programs, functions, and processes within the Health and Human Services (HHS) System, including services delivered through managed care, and services delivered through providers and contractors.

## HHS System<sup>6</sup>

### *Administrative Services*

- Information Technology
- Financial Services
- Procurement and Contracting Services
- System Support Services
- Legal

### *Programs*

- Medical and Social Services
- Policy and Performance
- Transformation
- Department of Aging and Disability Services
  - Regulatory Services
  - State Supported Living Centers
  - Program Operations
- Department of Family and Protective Services
  - Child Protective Services
  - Adult Protective Services
  - Statewide Intake
  - Prevention and Early Intervention
  - Child Care Licensing
  - Program Operations
- Department of State Health Services
  - Regulatory Services
  - Disease Control and Prevention Services
  - Regional and Local Health Services
  - Family and Community Health Services
  - State Hospitals
  - Program Operations

---

<sup>6</sup> Based on the HHS System organizational charts effective September 1, 2016.

## Managed Care

### *Managed Care Entities and Subcontractors*

- Managed Care Organizations
- Dental Maintenance Organizations
- Behavioral Health Organizations
- Pharmacy Benefit Managers
- Third Party Administrators

### *Managed Care Programs*

- Children's Health Insurance Program (CHIP)
- Texas Dual Eligible Integrated Care Project (Medicare-Medicaid Plans)
- STAR
- STAR+PLUS
- STAR Kids<sup>7</sup>
- STAR Health
- NorthSTAR<sup>8</sup>

## Services Delivered Through Providers and Contractors

The audit universe includes the services delivered through providers and contractors that support the HHS System programs and managed care sections listed above. These services are categorized into two groups: (a) Medicaid and CHIP services, and (b) other services.

### *Medicaid and CHIP Services*

The list of Medicaid and CHIP services was compiled by reviewing the Medicaid and CHIP expenditures included in the U.S. Department of Health and Human Services Centers for Medicare and Medicaid Services (CMS) 64 reports and CMS 21 reports.

- Behavioral Health Services
- Case Management (Primary Care & Targeted)
- Clinic Services
- Critical Access Hospital Services
- Dental Services
- Diagnostic Screening and Preventative Services
- Emergency Hospital Services
- Emergency Services for Undocumented Aliens
- EPSDT Screening Services
- Family Planning
- Federally-Qualified Health Center Services
- Freestanding Birth Center Services
- Health Home for Enrollees with Chronic Conditions
- Health Services Initiatives
- Home and Community-Based Services
- Home Health Services

---

<sup>7</sup> STAR KIDS program starts November 1, 2016.

<sup>8</sup> NorthSTAR program ends December 31, 2016.

- Hospice
- Inpatient Hospital Services
- Inpatient Mental Health Facility Services
- Intermediate Care Facility Services (Private & Public)
- Laboratory and Radiological Services
- Medical Equipment
- Medical Transportation
- Non-Emergency Medical Transportation
- Nurse Mid-Wife
- Nurse Practitioner Services
- Nursing Facility Services
- Occupational Therapy
- Other Care Services
- Other Practitioners Services
- Outpatient Hospital Services
- Outpatient Mental Health Facility Services
- Personal Care Services
- Physical Therapy
- Physician and Surgical Services
- Prescribed Drugs
- Private Duty Nursing
- Programs of All-Inclusive Care Elderly
- Prosthetic Devises, Dentures, and Eyeglasses
- Rehabilitative Services (non-school-based)
- Rural Health Clinic Screening Services
- School Based Services
- Services for Speech, Hearing, and Language
- Sterilizations
- Therapy Services
- Tobacco Cessation for Pregnant Women
- Translation and Interpretation
- Vision

*Other Services*

Other services includes services provided by the HHS System programs that are delivered through providers and contractors for which there is no federal financial participation through Title XIX (Medicaid) or Title XXI (CHIP).

## RISK ASSESSMENT

The IG Audit Division conducts a continuous risk assessment to identify potential audit topics for inclusion in its Two-Year Rolling Audit Plan. Potential audit topics consist of programs, services, providers, and contractors with an elevated potential for fraud, waste, and abuse.

We identify potential audit topics from a variety of methods, such as:

- Coordinating with the HHS Internal Audit Divisions
- Reviewing past, current, and planned work performed by external organizations, which include
  - Texas State Auditor's Office (SAO)
  - U.S. Department of Health and Human Services Office of Inspector General (DHHS OIG)
  - U.S. Department of Agriculture Office of Inspector General (USDA OIG)
  - U.S. Government Accountability Office (GAO)
  - U.S. DHHS Centers for Medicare and Medicaid Services (CMS)
- Conducting interviews with HHS management and staff, and external stakeholders
- Coordinating with the IG Inspections Division and IG Investigations Division
- Reviewing the results of external reviews conducted on managed care organizations
- Analyzing data of services delivered through providers and contractors
- Viewing relevant Texas Legislature Hearings
- Requesting referrals from within the IG, the HHS System, and the public<sup>9</sup>

After compiling the list of potential audit topics, the IG Audit Division considers several factors to select audits for its Two-Year Rolling Audit Plan:

- Requests from the legislature and executive management
- Current oversight activities, including internal and external audits
- Public interest
- Available resources

---

<sup>9</sup> The public are encouraged to report suspected fraud, waste, or abuse by recipients or providers in Texas HHS programs by calling the IG toll-free Integrity Line at 1-800-436-6184 or submitting a referral online: <https://oig.hhsc.texas.gov/report-fraud>

## TYPES OF AUDITS

The IG Audit Division conducts risk-based performance, compliance, and financial audits of the departments, programs, functions, and processes within the Health and Human Services (HHS) System, managed care, and services delivered through providers and contractors to reduce fraud, waste, abuse, and mismanagement throughout the HHS system.

- Performance audits assess the effectiveness and efficiency of HHS System program performance and operations. The IG Audit Division makes recommendations to mitigate performance gaps and risks that could prevent HHS System programs from achieving their goals and objectives.
- Compliance audits examine contractor or medical service provider compliance with criteria contained in legislation, rules, guidance, or contracts, and may identify overpayments and disallowed costs.
- Financial audits determine whether funds were used as intended and may identify overpayments and disallowed costs.

## AUDITS IN PROGRESS

### **Contracted Clinical Research Study**

#### Objective

Determine whether:

- Procurement of services through the contract adhered to state law and agency policies, rules, and regulations.
- Contractor performed and complied with requirements of the contract.
- Funds were used for their intended purpose.

#### Scope

August 2013 through January 2016, as well as relevant activities through the end of fieldwork in March 2016.

### **Medicaid and CHIP Managed Care Organization Special Investigative Units - *SIU Resources, Activities, and Infrastructure***

An audit of one health plan is being performed.

#### Objective

Determine the effectiveness of managed care organization (MCO) special investigative units (SIU) performance in (a) preventing, detecting, and investigating fraud, waste, and abuse, and (b) reporting reliable information on SIU activities, results, and recoveries to HHSC.

#### Scope

MCO SIUs for the period of September 2013 through August 2016, to include:

- Processes and activities that support SIU fraud plans at Medicaid and CHIP MCOs and subcontractors.
- Policies and practices supporting the reporting of SIU activities and results to HHSC.
- Information technology systems that support SIU processes, and related data.

## **Performance of Contractors Selected as Sole Source Procurements over \$10 Million**

Audits of three HHS agency contractors are being performed.

### Objective

Determine whether (a) funds are used as intended and (b) contractors are performing in accordance with contract requirements.

### Scope

The most recent 12 to 18 months, to include:

- Contractor and subcontractor processes and activities that ensure contract requirements are met and funds are used as intended.
- Policy and practices supporting contract deliverables and performance measures.
- Information technology systems that support the reporting process, and related data.

## **Recovery of Overpayments Identified in Federal Audits**

### Objective

Determine whether:

- The federal and state shares of overpayment amounts identified in federal audits were recovered from providers and whether the federal portion was returned within required timelines.
- Appropriate protocols were followed when negotiating and agreeing to (a) recovery amounts less than the identified overpayment amounts and (b) extended repayments periods.

### Scope

Federal audit reports issued for September 2009 to January 2016, to include:

- Processes and activities designed to ensure: (a) providers were notified of overpayments due to the state, (b) receivables are timely and accurately established, and (c) overpayments are collected and recorded accurately within applicable timelines.
- Processes and activities for (a) returning and reporting the federal share of overpayments and (b) reclaiming federal funds.

- Processes associated with negotiation and settlement of provider overpayment amounts and related provider repayment agreements.

## **Claims Management System IT Interfaces**

### Objective

Evaluate the adequacy of IT interface processing controls designed to:

- Ensure data transmitted and processed is valid, complete, and accurate.
- Protect data from unauthorized access, modification, and deletion.

### Scope

- Claims submitted for payment in March 2016 and June 2016.
- Processes and controls over Medicaid provider claim payment data processed and transmitted to and from relevant automated systems.
- Monitoring and oversight of contractor activities relevant to the audit objective.

## **Utilization Management in Managed Care Organizations**

Audits of four health plans are being performed.

### Objective

Evaluate the effectiveness of acute care utilization management practices at selected managed care organizations (MCOs) in ensuring that health care services, procedures, and facilities are (a) medically necessary, (b) efficient, and (c) comply with state and federal regulations.

### Scope

- Acute care utilization management practices and processes effective during the period September 2013 through August 2015.
- Activities of subcontractors involved with, or contracted to perform, utilization management practices and processes on behalf of the MCO.

## **Vendor Drug Program Pharmacy Providers**

Audits of four pharmacies are being performed.

### Objective

Determine whether the vendor accurately billed the Texas Medicaid Vendor Drug Program and complied with contractual requirements and Texas Administrative Code rules.

### Scope

Claims paid by the Texas Medicaid Vendor Drug Program for dates of service from approximately 2009 through 2014.

## **Assessment and Evaluation Practices at Long Term Care Nursing Facilities**

An audit of one nursing facility is being performed.

### Objective

Determine whether therapy services are provided consistent with physician orders and in accordance with resident assessments and evaluations.

### Scope

The assessment, evaluation, and billing for therapy practices for March 2015 through July 2016.

## **Texas Association of Local Governments Financial Review**

### Objective

- Review contractor's adherence to requirements for contracts with HHS System agencies.
- Determine whether State funds were used as intended according to contractual requirements and recover State funds, if applicable.

### Scope

For the period of September 2014 through March 2016, to include:

- Conducting site visits to contractor's locations to observe and evaluate activities relate to the audit objectives.
- Reviewing 100 percent of financial transactions for the contracts within scope to verify validity, completeness, and accuracy.

## **Selected MCO Speech Therapy Providers**

An audit of one provider is being performed.

### Preliminary Objective

Determine whether speech therapy providers:

- Comply with Texas Medicaid provider enrollment guidance and applicable licensure and certification requirements.
- Follow criteria established for determining when discontinuation of therapy is appropriate, in terms of:
  - Duration
  - Total number of visits

## AUDIT PLAN

The HHS System currently has over 54,000 employees responsible for managing approximately \$44.2 billion each year, and includes over 200 programs providing needed services to millions of Texans.<sup>10</sup> These programs are subject to federal and state regulations, statutes and rules, and HHS agency and program policies. The programs, and the administrative and technical support that enables them to function, are subject to funding constraints, policy changes, and changing priorities. As a result, risks associated with functions within the HHS System are constantly changing.

In an effort to be responsive to continuously changing risks and an evolving environment, the IG Audit Plan contains two components. The first component focuses on the short term, and is used in conjunction with a schedule of current audit projects and available staff to guide the utilization of audit resources within the upcoming six-month period of time. The audit projects listed in the section called “Audits IG Plans to Initiate During the Next Six Months,” while still subject to change when needed to address near-term changes in the audit environment and to accommodate executive management requests for audit services, is intended to represent the roadmap the IG Audit Division plans to follow for the next several months. Audit projects will be planned and initiated based on current priorities and availability of audit staff members needed to form audit teams.

The second component, called “Potential Audit Topics - Fiscal Years 2017 Through 2018,” covers the balance of the two year period. This section, which includes potential audit topics that represent possibilities for future audit consideration, is updated with each new version of the rolling audit plan, which will occur in three month intervals. Some potential topics will fall off the list, and others will be added, reflecting changing risks and priorities.

The two components of the IG Rolling Audit Plan follow.

---

<sup>10</sup> \$44.2 billion represents the sum of the fiscal year 2016 HHS Agency Operating Budgets, which is approximately \$38.9 billion, in addition to the amount reported for Supplemental Nutrition Assistance Program (SNAP) benefits in the State of Texas Schedule of Expenditures of Federal Awards for the year ended August 31, 2015, which is approximately \$5.3 billion.

## **Audits IG Plans to Initiate During the Next Six Months**

Proposed audit projects are listed below. While IG anticipates it will initiate the audits listed below during the next six months, changing risks and priorities could result in some of the planned audits not being initiated, or in other audits, not listed below, being initiated.

- Selected Vendor Drug Program Pharmacy Providers
- Selected Durable Medical Equipment (DME) Providers
- Hospital Credit Balances (Selected Hospitals)
- MCD Vendor Drug Program Operations
- 340b Program in Federally-Qualified Health Centers (FQHCs)
- Performance of Third Party Recovery Contractor Managed by Claims Administrator
- STAR+PLUS Enrollment
- Dental Service Organizations (Informational Report)
- Managed Care Pharmacy Benefit Manager Compliance
- Dental Management Organizational Comprehensive Review
- MCO Third Party Recovery Performance
- Selected Delivery System Reform Incentive Payments (DSRIP)
- Selected Home Health, Personal Care Services, and Home and Community-Based Services Providers
- Potential Duplicate Payments for Services Covered by STAR Health Procured Under DFPS Child-Specific Contracts

## Potential Audit Topics - Fiscal Years 2017 Through 2018

The potential audits listed below are organized by program, process, or business area. The IG Audit Division will update this list, based on changing risks and priorities, each time it issues a new rolling audit plan. When IG plans to initiate a proposed audit listed in this section within the following six months, it will remove the proposed audit from this section and list it in the previous section, called “Audits IG Plans to Initiate During the Next Six Months.”

### Medicaid

#### Managed Care

- Accuracy and Usability of MCO Scorecards
- Expedited Credentialing by MCOs
- MCO Adjustment of Encounters After Collecting Overpayments from Providers
- Cost Allocation of MCO Shared Services
- Physician Administered Drug Rebate Processes in MCOs
- MCO Behavioral Health Initiatives Funded With Medicaid Dollars
- MCO Support for Quality Payments
- MCO Prior Authorizations
- Retrospective Utilization Management
- Validity of Information Reported in MCO Deliverables
- Quality and Completeness of MCO Encounter Data
- Follow-up on MCO Corrective Action Plans

#### Medicaid Claims Administrator

- Prior Authorization Processes
- Effectiveness and Monitoring of Medicaid Claims Administrator Key Performance Indicators

## Pharmacy

- Drug Destruction Practices at Selected Long Term Care Providers
- Selected Vendor Drug Program Pharmacy Providers
- Pharmacy Cost Methodologies (Informational Report)

## STAR+PLUS

- DME in STAR+PLUS
- Recovery of Assets From Long Term Care Residents in Medicaid

## STAR Kids

- STAR Kids Implementation

## Hospital

- Medicaid Hospital Inpatient Cost Reports
- Hospital Audit (Topic to be Determined)

## **CHIP**

- CHIP Complaint Process

## **Eligibility**

- Duplicate Eligibility in TIERS
- TIERS Access Controls
- TIERS Processes and Workflows
- Application and Database Security Assessment for TIERS
- Effectiveness of TIERS Manual Workarounds

## **SNAP**

- Out of State SNAP Expenditures
- Able-Bodied Working Adults Without Dependents

- Application and Database Security Assessment for Electronic Benefit Transfer (EBT)
- Effectiveness of Edits Checks and Other Controls Related to Issuance and Activation of EBT Cards
- EBT Contract Procurement
- SNAP Eligibility Interfaces

### **TANF**

- Accuracy of TANF Eligibility and Payments
- TANF Eligibility Interfaces

### **Foster Care**

- Intake Processes - “V” (Victim) Coding on Medical Records
- Foster Care Psychotropic Medication Utilization and Monitoring

### **Information Technology**

- IT Security at Selected Contractors and Business Partners, and for HHS agency systems and applications

### **Miscellaneous**

- HHS System Collections
- Medically Dependent Children Program (MDCP) Enrollment
- Selected Women’s Health Program Providers
- School and Health Related Services (SHARS)
- Selected MHMR Contracts and Related Providers
- Grants Management Processes at the Department of State Health Services
- Selected Consumer Directed Services Providers
- Selected Early Childhood Intervention Services Providers
- Selected Family Violence Program Services Providers

- Selected Client Services Providers
- Prescription Waste in Nursing Facilities
- Electronic Visit Verification (EVV) Contractor Performance

## AUDIT REPORTS ISSUED IN FISCAL YEAR 2016

IG issued the following audit reports between September 1, 2015 and August 31, 2016.

Audit	Report Issue Date	Key Findings
Medicaid and CHIP MCO Special Investigative Units (SIU) - Health Management Systems, Inc.	August 29, 2016	<ul style="list-style-type: none"> <li>• Some MCOs performed minimal or no SIU activities during the audit period</li> <li>• Overpayments identified by HMS were not always recovered and some recoveries reported to were overstated</li> </ul>
Medicaid and CHIP MCO SIU - Superior Health Plan	August 26, 2016	<ul style="list-style-type: none"> <li>• Scope of SIU investigation activities was limited</li> <li>• SIU activities necessary to detect fraud, waste, and abuse were not performed</li> </ul>
Medicaid and CHIP MCO SIU - Texas Children's Health Plan	August 24, 2016	<ul style="list-style-type: none"> <li>• SIU fraud, waste, and abuse investigation activities were limited</li> <li>• Monthly reporting to the IG was not complete</li> </ul>
Medicaid and CHIP MCO SIU - Cigna-Health Spring	August 24, 2016	<ul style="list-style-type: none"> <li>• Scope of SIU investigation activities was limited</li> <li>• SIU activities necessary to detect fraud, waste, and abuse were not performed</li> </ul>
Medicaid and CHIP MCO SIU - DentaQuest	August 24, 2016	<ul style="list-style-type: none"> <li>• Sample sizes for investigations did not meet minimum requirements and monthly reporting to the IG was not consistently accurate</li> <li>• Training was not provided in accordance with the fraud, waste, and abuse plan, and change management processes were not followed</li> </ul>
Acute Care Utilization Management in MCOs (Informational Report)	August 16, 2016	<ul style="list-style-type: none"> <li>• Not Applicable</li> </ul>
Medicaid and CHIP MCO SIU - Seton Health Plan	June 9, 2016	<ul style="list-style-type: none"> <li>• Seton did not perform activities needed to implement its fraud, waste, and abuse plan</li> <li>• Seton did not deploy resources and infrastructure necessary for an effective SIU</li> </ul>
MHMR of Tarrant County	April 29, 2016	<ul style="list-style-type: none"> <li>• The audit identified \$10,909 in overpayments</li> </ul>
HEB Pharmacy #444	March 18, 2016	<ul style="list-style-type: none"> <li>• The audit identified \$17,480 in overpayments</li> </ul>
SafeHaven of Tarrant County	February 29, 2016	<ul style="list-style-type: none"> <li>• The audit identified \$171,163 in overpayments</li> </ul>
Maritime Pharmacy	February 29, 2016	<ul style="list-style-type: none"> <li>• The audit identified \$7,131 in overpayment</li> </ul>
Acaria Health Pharmacy #11 Inc. (Formerly T S Rx Inc.)	February 29, 2016	<ul style="list-style-type: none"> <li>• No instances of noncompliance for the claims tested</li> </ul>
CVS Pharmacy #07403	February 26, 2016	<ul style="list-style-type: none"> <li>• The audit identified \$144,246 in overpayments</li> </ul>
University Medical Center El Paso	February 25, 2016	<ul style="list-style-type: none"> <li>• The audit identified \$69,447 in overpayments</li> </ul>

<b>Audit</b>	<b>Report Issue Date</b>	<b>Key Findings</b>
MCO Special Investigative Unit (Informational Report)	February 5, 2016	<ul style="list-style-type: none"> <li>• Not Applicable</li> </ul>
La Plaza Pharmacy	January 20, 2016	<ul style="list-style-type: none"> <li>• The audit identified \$213,022 in overpayments</li> </ul>
Dow Pharmacy	January 4, 2016	<ul style="list-style-type: none"> <li>• The audit identified \$7,636 in overpayments</li> </ul>
Denton Regional Medical Center Medicaid Outpatient Hospital Costs	December 28, 2015	<ul style="list-style-type: none"> <li>• \$704,860 in adjustments, which has an estimated impact to the Medicaid program of \$5,868</li> </ul>
Park Manor of South Belt	December 28, 2015	<ul style="list-style-type: none"> <li>• The audit identified \$7,636 in overpayments</li> </ul>
Walgreens Pharmacy #03141	December 23, 2015	<ul style="list-style-type: none"> <li>• The audit identified \$564,399 in overpayments</li> </ul>
CVS Pharmacy #07435	December 21, 2015	<ul style="list-style-type: none"> <li>• The audit identified \$892 in overpayments</li> </ul>
Community Health Choice (CHC), Inc.	December 21, 2015	<ul style="list-style-type: none"> <li>• CHC was not in compliance in certain respects with its contract with HHSC during the audit period</li> </ul>
St. Joseph Regional Health Center Medicaid Outpatient Hospital Costs	December 18, 2015	<ul style="list-style-type: none"> <li>• \$42,058 in adjustments, which has an estimated impact to the Medicaid program of \$350</li> </ul>
Angels of Care Pediatric Home Health Corp	December 18, 2015	<ul style="list-style-type: none"> <li>• The audit identified \$25,471 in overpayments</li> </ul>
Walgreens Pharmacy #07371	December 15, 2015	<ul style="list-style-type: none"> <li>• The audit identified \$444,991 in overpayments</li> </ul>
Dallas County Hospital District Medicaid Outpatient Hospital Costs	November 30, 2015	<ul style="list-style-type: none"> <li>• \$287,424 in adjustments, which has an estimated impact to the Medicaid program of \$2,393</li> </ul>
Family Violence Prevention Services, Inc.	November 30, 2015	<ul style="list-style-type: none"> <li>• The audit identified \$68,397 in overpayments</li> </ul>
John Peter Smith Hospital Medicaid Outpatient Hospital Costs	November 20, 2015	<ul style="list-style-type: none"> <li>• \$445,138 in adjustments, which has an estimated impact to the Medicaid program of \$3,751</li> </ul>
Methodist Hospital – San Antonio Medicaid Outpatient Hospital Costs	November 20, 2015	<ul style="list-style-type: none"> <li>• \$1,935,726 in adjustments, which has an estimated impact to the Medicaid program of \$16,115</li> </ul>
Bayshore Medical Center Medicaid Outpatient Hospital Costs	November 10, 2015	<ul style="list-style-type: none"> <li>• \$554,066 in adjustments, which has an estimated impact to the Medicaid program of \$4,613</li> </ul>
Texas Health Harris Methodist HEB Medicaid Outpatient Hospital Costs	October 28, 2015	<ul style="list-style-type: none"> <li>• \$1,579,650 in adjustments, which has an estimated impact to the Medicaid program of \$13,151</li> </ul>
Memorial Medical Center of East Texas Medicaid Outpatient Hospital Costs	October 27, 2015	<ul style="list-style-type: none"> <li>• \$1,658,493 in adjustments, which has an estimated impact to the Medicaid program of \$13,807</li> </ul>
Kroger Pharmacy #00107	October 19, 2015	<ul style="list-style-type: none"> <li>• The audit identified \$2,737 in overpayments</li> </ul>
CVS Pharmacy #08963	October 19, 2015	<ul style="list-style-type: none"> <li>• The audit identified \$40,152 in overpayments</li> </ul>
Pharmerica	October 15, 2015	<ul style="list-style-type: none"> <li>• The audit identified \$414,081 in overpayments</li> </ul>

<b>Audit</b>	<b>Report Issue Date</b>	<b>Key Findings</b>
San Jacinto Methodist Hospital Medicaid Outpatient Hospital Costs	October 2, 2015	<ul style="list-style-type: none"> <li>• \$1,281,236 in adjustments, which has an estimated impact to the Medicaid program of \$10,666</li> </ul>
Cook Children’s Medical Center Medicaid Outpatient Hospital Costs	October 2, 2015	<ul style="list-style-type: none"> <li>• \$319,300 in adjustments, which has an estimated impact to the Medicaid program of \$2,658</li> </ul>
Conroe Regional Medical Center Medicaid Outpatient Hospital Costs	October 1, 2015	<ul style="list-style-type: none"> <li>• \$718,186 in adjustments, which has an estimated impact to the Medicaid program of \$5,979</li> </ul>
Kingwood Medical Center Medicaid Outpatient Hospital Costs	September 30, 2015	<ul style="list-style-type: none"> <li>• \$42,089 in adjustments, which has an estimated impact to the Medicaid program of \$350</li> </ul>
Houston Northwest Medical Center Medicaid Outpatient Hospital Costs	September 30, 2015	<ul style="list-style-type: none"> <li>• \$3,561,214 in adjustments, which has an estimated impact to the Medicaid program of \$29,647</li> </ul>
Resource and Crisis Center of Galveston County	September 30, 2015	<ul style="list-style-type: none"> <li>• The audit identified \$2,000 in overpayments</li> </ul>
St. Luke’s Episcopal Hospital Medicaid Outpatient Hospital Costs	September 29, 2015	<ul style="list-style-type: none"> <li>• \$6,640,511 in adjustments, which has an estimated impact to the Medicaid program of \$55,282</li> </ul>
Mainland Medical Center Medicaid Outpatient Hospital Costs	September 29, 2015	<ul style="list-style-type: none"> <li>• \$41,318 in adjustments, which has an estimated impact to the Medicaid program of \$344</li> </ul>
Midland Memorial Hospital Medicaid Outpatient Hospital Costs	September 20, 2015	<ul style="list-style-type: none"> <li>• \$5,907,827 in adjustments, which has an estimated impact to the Medicaid program of \$49,133</li> </ul>
Park Plaza Hospital Medicaid Outpatient Hospital Costs	September 18, 2015	<ul style="list-style-type: none"> <li>• \$1,602,057 in adjustments, which has an estimated impact to the Medicaid program of \$13,337</li> </ul>
Memorial Medical Center – Livingston Medicaid Outpatient Hospital Costs	September 18, 2015	<ul style="list-style-type: none"> <li>• \$998,756 in adjustments, which has an estimated impact to the Medicaid program of \$8,315</li> </ul>
St. David’s Medical Center Medicaid Outpatient Hospital Costs	September 15, 2015	<ul style="list-style-type: none"> <li>• \$483,070 in adjustments, which has an estimated Impact to the Medicaid program of \$4,022</li> </ul>
Medical Center of Plano Medicaid Outpatient Hospital Costs	August 31, 2015	<ul style="list-style-type: none"> <li>• \$447,079 in adjustments, which has an estimated impact to the Medicaid program of \$3,972</li> </ul>
Lake Grandbury Medical Center Medicaid Outpatient Hospital Costs	August 31, 2015	<ul style="list-style-type: none"> <li>• \$208,212 in adjustments, which has an estimated impact to the Medicaid program of \$1,733</li> </ul>