Protecting the Integrity of Health and Human Services

Sylvia Hernandez Kauffman
Inspector General
Texas Health and Human Services

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ReportTexasFraud.com

Inspectors General

<table>
<thead>
<tr>
<th>Integrity</th>
<th>+</th>
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<tbody>
<tr>
<td>Accountability</td>
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= Public Trust
Texas OIG

- Texas spends $40 billion on health and human services per year.
- The role of the Office of Inspector General (OIG) is to prevent, detect and investigate wrongdoing in the health and human services system.
- Everyone in the system is responsible for preventing fraud, waste and abuse.

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<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
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<tbody>
<tr>
<td>Recoveries</td>
<td>$98,311,876</td>
<td>$115,468,713</td>
<td>$421,219,066</td>
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<td>Cost avoidance</td>
<td>$52,013,845</td>
<td>$39,061,911</td>
<td>$164,145,613</td>
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<tr>
<td>Provider screenings</td>
<td>86,506</td>
<td>70,800</td>
<td>112,241</td>
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<tr>
<td>Exclusions</td>
<td>289</td>
<td>257</td>
<td>300</td>
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<tr>
<td>Hotline calls answered</td>
<td>32,774</td>
<td>27,283</td>
<td>27,283</td>
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Defining Fraud, Waste, Abuse

**Fraud:** Any act that constitutes fraud under federal or state law, including any intentional dishonesty or misrepresentation made by a person who knew the deception could cause unapproved benefit for themselves or another person.

**Examples**
- Upcoding
- Billing for services not rendered
- Misrepresenting a diagnosis
- Falsifying documents, e.g., photocopied doctor signatures, cloned notes

Defining Fraud, Waste, Abuse

**Waste:** Any practice a sensible person would consider careless or would cause excessive use of resources, items or services.

**Examples**
- Prescribing specific brand instead of formulary
- Customized wheelchair
- Unnecessary hospital readmissions due to failure of care coordination
Defining Fraud, Waste, Abuse

Abuse: Any practice inconsistent with proper fiscal, business or medical practices and that causes unnecessary program cost.

Examples
- Overcharging for services, supplies
- Providing medically unnecessary services (e.g., therapy for unresponsive patients)
- Providing sub-standard services

Detecting Fraud, Waste, Abuse

Audits
Inspections
Investigations
Reviews
Data Analytics
Fraud Detection Operation

• Data-driven investigation
• Review providers who appear as statistical outliers
• Assess whether outlier status is due to program violations

OIG Data Analytics

Low, Medium, and High Risk Providers
Medicaid Program Integrity

• The Provider Investigations team investigates allegations of fraud, waste and abuse by Medicaid providers.
• Referrals received through the OIG Fraud Hotline and Managed Care Organizations (MCOs).
• MPI also initiates cases based on data analytics and trends observed by investigators.

Reviews

What OIG Medical Services Unit looks for in a review:
• The level of service billed.
• The service or supply was actually provided.
• Medical necessity.
• Correct coding guidelines.
• Quantity billed matches quantity delivered.
• Policies and procedures are followed.
• No duplicate billing.
• No billing for non-covered services.
**Audits**

The OIG conducts risk-based audits related to:
- Medical provider payments, billings and authorizations.
- The performance of HHS agency contractors, such MCOs.
- The effectiveness of programs, functions, processes and systems within the HHS system.

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**Inspections**

The OIG conducts inspections to identify systemic issues involving
- HHS programs and agencies
- Providers
- Managed care organizations
- Third-party contractors
Common Violations

- Billing for services not performed
- Billing for services that are unnecessary
- Outpatient procedures billed as inpatient
- Upcoding
- Kickbacks

Special Investigative Unit

Texas Medicaid/CHIP contract changes:
- Require MCOs to hire SIU manager dedicated solely to Medicaid/CHIP
- Must be a qualified investigator
- Took effect Sept. 1, 2019
Your Role in Fighting Fraud

- ReportTexasFraud.com
- Humana study attributed 25% of health care spending to waste
- 90 percent increase in referrals
- Training

Report Fraud, Waste, Abuse

ReportTexasFraud.com
Hotline: 800-436-6184
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