

Audit Report

Data Processing and Integrity of Medicaid Eligibility Determinations

**Texas Integrated Eligibility Redesign
System**



**Inspector
General**

Texas Health
and Human Services

**July 30, 2021
OIG Report No. AUD-21-018**



DATA PROCESSING AND INTEGRITY OF MEDICAID ELIGIBILITY DETERMINATIONS

Texas Integrated Eligibility Redesign System

WHY OIG CONDUCTED THIS AUDIT

OIG Audit conducted an audit of the Texas Integrated Eligibility Redesign System (TIERS), which is the system that contains records of applications processed, approved, and denied. TIERS is a critical Texas Health and Human Services Commission (HHSC) system because it processes eligibility information to determine whether individuals are eligible to receive services, including Medicaid.

The audit objective was to determine whether TIERS system and process controls were adequate to reasonably ensure that Medicaid eligibility determinations were accurate based on selected eligibility elements, including citizenship, residency, and identification of deceased individuals.

WHAT OIG RECOMMENDS

HHSC Information Technology (IT) Social Services Applications or HHSC Access and Eligibility Services, as appropriate, should:

- Identify deceased individuals and close Medicaid eligibility.
- Ensure TIERS automated controls are sufficient to ensure accuracy, consistency, and alignment with Medicaid policy.
- Document and update TIERS design documentation.
- Ensure access to TIERS is appropriate.
- Strengthen controls related to ensuring access to TIERS is appropriate.

HHSC should:

- Recover identified managed care capitation payments for deceased individuals.

MANAGEMENT RESPONSE

HHSC IT Social Services Applications and HHSC Access and Eligibility Services agreed with the recommendations and will strengthen controls to ensure (a) Medicaid is terminated for deceased individuals, (b) alignment with Medicaid policy and IT best practices, and (c) access is limited to authorized users.

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WHAT OIG FOUND

The Texas Integrated Eligibility Redesign System (TIERS) is a system of applications used to determine eligibility for Medicaid and other Texas Health and Human Services Commission (HHSC) programs. Portions of the Medicaid application process are automated in TIERS, which uses rule-based processing to ensure consistent eligibility determinations. Eligibility records are transmitted to other systems for enrollment, payment calculation, and the provision of services. While TIERS had system and process controls in place, those controls should be strengthened to reasonably ensure that Medicaid eligibility determinations are accurate based on selected eligibility elements. Specifically:

- Automated controls within TIERS were not always adequate to ensure all eligibility records were closed as required for applicable deceased individuals. This resulted in managed care capitation payments totaling \$660,721 for individuals who were deceased.
- Controls were not always adequate to reasonably ensure that information used to determine Medicaid eligibility was accurate, complete, and in alignment with Medicaid policy. Table 1 details the number of fields and controls tested by eligibility category.

Table 1: TIERS Data Input Control Exceptions

Eligibility Category	Fields Tested	Fields with Exceptions	Percent of Fields with Exceptions	Controls Tested	Controls Resulting in an Exception	Percent of Controls Resulting in an Exception
Citizenship	22	17	77%	68	25	37%
Residency	7	3	43%	20	3	15%
Death	4	2	50%	15	2	13%
Total	33	22	67%	103	30	29%

Source: OIG Audit

HHSC did not have effective access controls to ensure all TIERS user accounts were appropriate.

TIERS had effective controls in place related to data processing and change management to reasonably ensure the accuracy of selected Medicaid eligibility determinations. Additionally, the verification of selected citizenship and residency information within TIERS was accurate and aligned with the Texas Works Handbook.

Pursuant to Standard 9.61 of *Government Auditing Standards* issued by the Comptroller General of the United States, certain information was omitted from this report because the information was deemed to present potential risks related to public safety, security, or the disclosure of private or confidential data. Under the provisions of Texas Government Code Section 552.139, the omitted information is also exempt from the requirements of the Texas Public Information Act.

TABLE OF CONTENTS

INTRODUCTION	1
AUDIT RESULTS	3
ACCURACY AND COMPLETENESS OF ELIGIBILITY DETERMINATIONS	4
<i>Issue 1: Controls Within TIERS Did Not Always Ensure Medicaid Eligibility Records Were Closed for Applicable Deceased Individuals</i>	<i>6</i>
Recommendation 1.....	9
ACCURACY AND COMPLETENESS OF INFORMATION ENTERED INTO TIERS USED TO DETERMINE MEDICAID ELIGIBILITY	11
<i>Issue 2: Automated Controls Were Not Adequate to Reasonably Ensure Information Used to Determine Medicaid Eligibility Was Accurate and Complete</i>	<i>11</i>
Recommendation 2.....	13
APPROPRIATENESS OF USER ACCESS TO TIERS	15
<i>Issue 3: HHSC Did Not Always Ensure Access to TIERS Was Appropriate</i>	<i>15</i>
Recommendation 3.....	15
CONCLUSION	18
APPENDICES	19
A: <i>Methodology, Data Reliability, Sampling, and Criteria</i>	19
B: <i>Tested TIERS Input Controls</i>	22
C: <i>Report Team and Distribution</i>	23
D: <i>OIG Mission, Leadership, and Contact Information</i>	25

INTRODUCTION

The Texas Health and Human Services (HHS) Office of Inspector General Audit and Inspections Division (OIG Audit) conducted an audit of data processing and integrity for Medicaid eligibility determinations within Texas Integrated Eligibility Redesign System (TIERS). TIERS is the system of record for individuals enrolled in Texas Medicaid and contains records of applications processed, whether approved or denied.

Objective and Scope

The audit objective was to determine whether TIERS system and process controls were adequate to reasonably ensure that Medicaid eligibility determinations were accurate based on selected eligibility elements, including citizenship, residency, and identification of deceased individuals.

The audit scope included a review of significant control activities within TIERS related to citizenship, residency, and identification of deceased individuals for the period from September 1, 2019, through April 30, 2021.^{1,2}

Background

The Texas Health and Human Services Commission (HHSC) is responsible for providing administrative oversight for the operations and functions of the Texas Medicaid program.

TIERS is a system of applications used to determine eligibility for Medicaid and other HHSC programs. HHSC Information Technology (IT) Social Services Applications manages changes to TIERS and supporting technologies, while HHSC Access and Eligibility Services utilizes

Medicaid provides health care and long-term services and supports to low-income children and their families, pregnant women, children in foster care, individuals with disabilities, and people age 65 and older. To qualify for Medicaid, an applicant must meet specific residency and citizenship requirements, including:

- Live and intend to remain in Texas.
- Have a Social Security number or apply for one.
- Be a citizen of the United States or meet alien status requirements.

All US citizens and nationals are entitled to apply for and receive Medicaid if they meet all eligibility requirements.

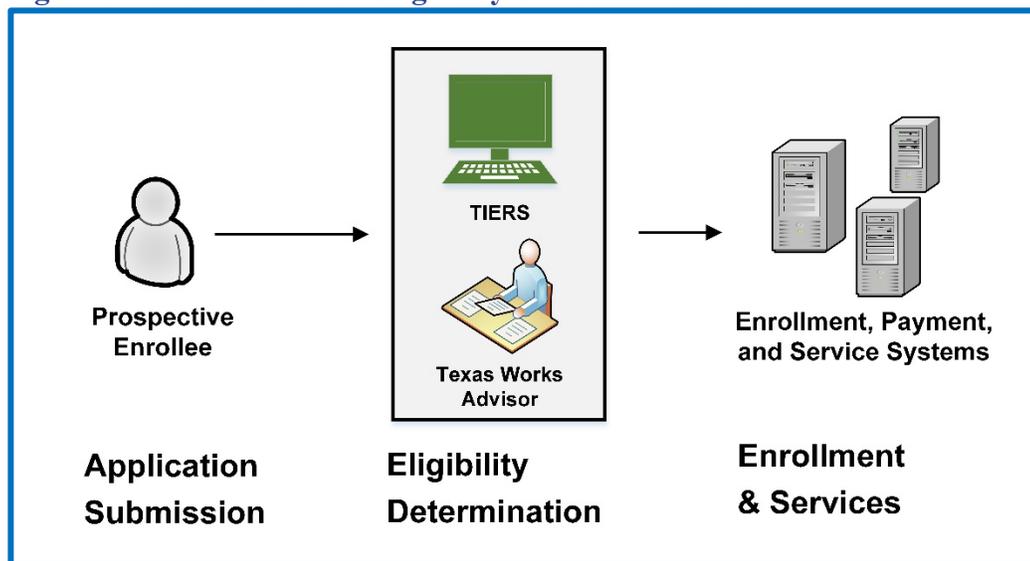
Source: Texas Medicaid and CHIP Reference Guide, 13th ed., HHSC (Dec. 2020)

¹ Unless otherwise described, any year referenced is the state fiscal year, which covers the period from September 1 through August 31.

² Testing of information technology controls is focused on the performance at the time of testing and does not always include a review of historical controls.

TIERS to support the eligibility determination process. Portions of the Medicaid application process are automated in TIERS, which uses rule-based processing to ensure consistent eligibility determinations. Eligibility records are transmitted to other systems for enrollment, payment calculation, and the provision of services. Figure 1 provides a visual representation of the Texas Medicaid eligibility determination process.

Figure 1: Texas Medicaid Eligibility Determination Process



Source: OIG Audit

Management Responses

OIG Audit presented audit results, issues, and recommendations to HHSC IT Social Services Applications and HHSC Access and Eligibility Services in a draft report dated July 8, 2021. HHSC IT Social Services Applications and HHSC Access and Eligibility Services agreed with the recommendations for the issues in the report. The HHSC IT Social Services Applications and HHSC Access and Eligibility Services management responses are included in the report following each recommendation.

Auditing Standards

Generally Accepted Government Auditing Standards

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

AUDIT RESULTS

While TIERS had system and process controls in place, those controls should be strengthened to reasonably ensure that Medicaid eligibility determinations are accurate based on selected eligibility elements. Specifically:

- Automated controls within TIERS were not always adequate to ensure all eligibility records were closed as required for applicable deceased individuals. This resulted in managed care capitation payments totaling \$660,721 for individuals who were deceased.
- Controls were not always adequate to reasonably ensure that all information used to determine Medicaid eligibility was accurate, complete, and in alignment with Medicaid policy.
- HHSC did not have effective access controls to ensure all TIERS user accounts were appropriate.

TIERS had effective controls for data processing and change management. Specifically:

- OIG Audit (a) identified 13 decision tables³ relevant to the selected eligibility requirements: citizenship, residency, and identification of deceased individuals and (b) determined that the performance of those decision tables in TIERS was adequate to reasonably ensure the accuracy of Medicaid determinations.
- Effective change management controls were in place. Specifically, for four COVID-19 related Medicaid policy updates, HHSC IT Social Services Applications ensured that changes were appropriately authorized and approved.

TIERS contains approximately 3,800 decision tables, which include logic used in determining eligibility for Medicaid, CHIP, Temporary Assistance for Needy Families (TANF), and the Supplemental Nutrition Assistance Program (SNAP).

Source: Texas Health and Human Services Commission

Additionally, for 60 out of 60 citizenship records tested and 59 out of 60 residency records tested, the verification of citizenship and residency information was accurate.

³ Within the context of this report “tables” is used to refer to data that is stored and arranged in an established format.

OIG Audit communicated other less significant issues to HHSC IT Social Services Applications and HHSC Access and Eligibility Services in a separate written communication.

ACCURACY AND COMPLETENESS OF ELIGIBILITY DETERMINATIONS

HHSC is required to remove deceased individuals from the list of persons eligible for Medicaid.⁴ A group within HHSC IT Application Services receives death records from Texas Department of State Health Services Vital Statistics Section (DSHS Vital Statistics) weekly and from the United States Social Security Administration monthly.

HHSC IT Applications compiles the death records from DSHS and the United States Social Security Administration into an electronic file that is sent to TIERS. TIERS has an automated death match process in place to compare death records received with active Medicaid eligibility records. This comparison should identify both perfect and non-perfect matches. When a perfect match is identified, the system should automatically update the record with the date of death indicated on the file from DSHS Vital Statistics and either (a) end Medicaid eligibility or (b) generate an alert requiring further manual review by a Texas Works Advisor.⁵

TIERS transmits eligibility records to other systems for enrollment, payment calculation, and the provision of services. The Premiums Payable System⁶ calculates Medicaid managed care payments, retrospectively adjusts payments based on updated eligibility information, including the

A “perfect match” occurs when the death records from DSHS match individual biographical data in TIERS on all of the following data elements:

- Date of birth
- Social Security number
- First five letters of the first name
- First five letters of the last name
- Gender

A “non-perfect match” occurs when any one of the five biographical data elements do not match or when a death record is a perfect match to more than one individual in TIERS. Records from the United States Social Security Administration do not include gender and cannot result in a perfect match. TIERS should generate an alert prompting manual review by a Texas Works Advisor when a non-perfect match is identified.

Source: Texas Health and Human Services Commission

⁴ Texas Gov. Code § 531.0214(e) (Apr. 2, 2015).

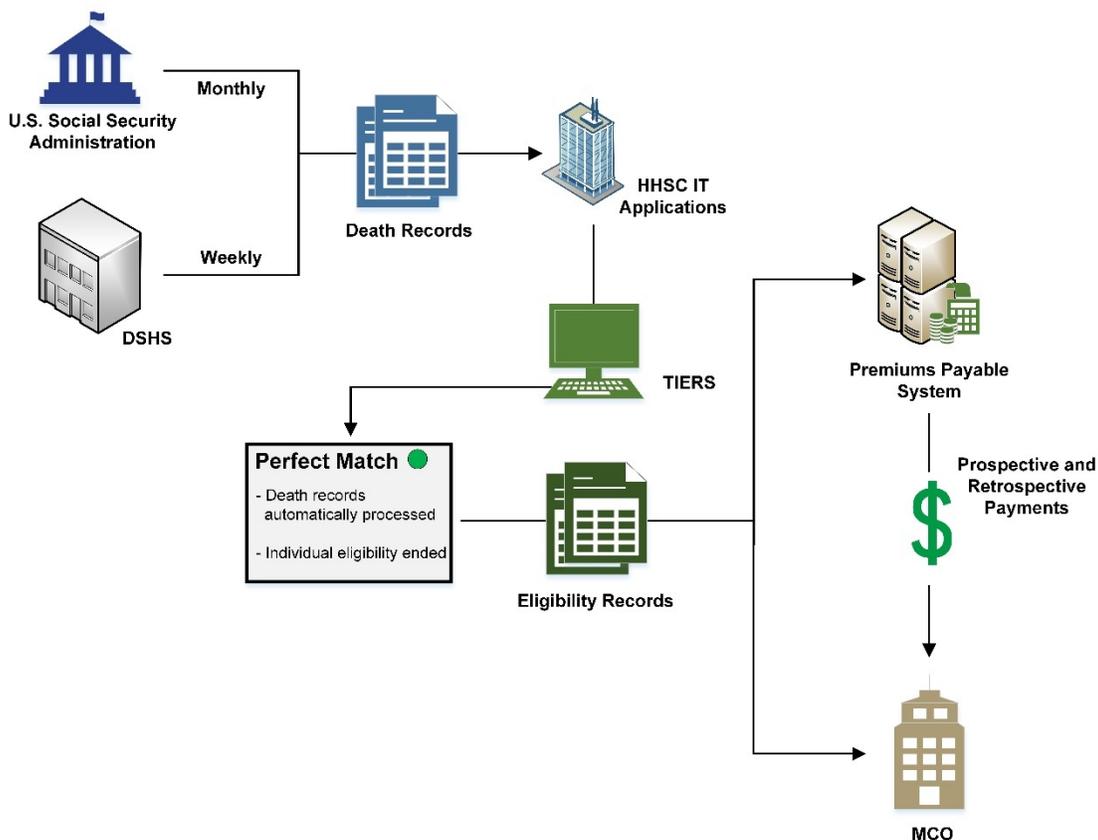
⁵ Audit results only include scenarios in which TIERS should automatically close Medicaid eligibility.

⁶ The Premiums Payable System is a group of applications that determines capitation payments for individuals enrolled in Medicaid. Each month, the Premiums Payable System uses eligibility and enrollment data received from TIERS to evaluate and assign individuals enrolled in managed care into an appropriate risk group.

identification of deceased individuals, and automatically offsets future Medicaid managed care payments to managed care organizations (MCOs).

Figure 2 provides a visual representation of the TIERS perfect match process.

Figure 2: TIERS Perfect Match for Deceased Individuals Process



Source: *OIG Audit*

HHSC IT Social Services Applications asserted that there are five tables within TIERS that are directly impacted by the perfect match process and contain Medicaid eligibility information. These five tables include specific information about individuals enrolled in Medicaid, and four of the five tables include the start and end dates of each listed individual’s Medicaid eligibility.

Issue 1: Controls Within TIERS Did Not Always Ensure Medicaid Eligibility Records Were Closed for Applicable Deceased Individuals

Controls within TIERS were not adequate to ensure that Medicaid eligibility was terminated for applicable deceased individuals when a perfect match was identified.

Based on data analysis of the death records from DSHS Vital Statistics and Medicaid eligibility data within TIERS for the audit scope, auditors reviewed the Medicaid individuals with a perfect match and identified the following:

- 390 deceased individuals whose Medicaid eligibility was not closed and who remained eligible in TIERS as of January 2021. For example, one individual passed away in November 2019; however, despite TIERS receiving a perfect match death record for this individual in December 2019, this individual remained eligible for Medicaid at the time of testing. Ongoing Medicaid eligibility for this individual resulted in managed care capitation payments of \$26,919.
- 1,202 deceased individuals⁷ whose Medicaid eligibility ended but was not retrospectively closed, as required, to reflect the individual's date of death. For example, one individual passed away in November 2019; however, this individual remained eligible for Medicaid through January 2020. While TIERS received the death record from DSHS Vital Statistics in December 2019 and a perfect match should have resulted, TIERS did not automatically end Medicaid eligibility based on the death record, generate an alert requiring further manual review, or retrospectively close eligibility to reflect this individual's date of death. The two months of eligibility after the individual's date of death resulted in managed care capitation payments of \$1,181.

⁷ Each individual has multiple eligibility records and may be included in both categories. Results are presented to ensure individuals were not counted more than once per category.

Table 1 summarizes Medicaid eligibility records that remained open after an individual's date of death.

Table 1: Medicaid Eligibility Records Not Closed Appropriately Based on an Individual's Date of Death

Status of Medicaid Eligibility After Death	Deceased Individuals	Average Days Eligibility Remained Open After Date of Death
Deceased individuals eligible for Medicaid in TIERS as of January 2021	390	299
Deceased individuals with closed Medicaid eligibility past their date of death	1,202	47
<p><i>Note: Results in this table include data from all five tables that HHSC IT Social Services Applications management asserted are impacted by the automated perfect match process. The individuals identified in Table 2 below are also included in this table. A description of variances in eligibility records across different TIERS tables is detailed below.</i></p>		

Source: OIG Audit

Multiple tables within TIERS include a record specifying when an individual's Medicaid eligibility starts and ends; however, HHSC IT Social Services Applications asserted that the eligibility information should generally align across all identified tables and discrepancies are the result of timing. However, auditors identified significant variances in Medicaid eligibility across these tables. For example:

- One individual passed away in August 2020; however, eligibility records within TIERS for this individual contained conflicting information. In one table within TIERS, Medicaid eligibility was not closed, and this individual continued to remain eligible as of January 2021. In another table within TIERS, Medicaid eligibility ended for that individual in August 2020.
- Total enrollment for the Medicaid for Pregnant Women program in December 2020 was 170,952 individuals in one table and 255,569 individuals in another table. For example, in one table an individual was eligible for the Medicaid for Pregnant Women program from February 2020 through January 2021. In the second table, this individual's Medicaid for Pregnant Women program eligibility was limited to two months, from February 2020 through March 2020. The discrepancy in eligibility records increases the risk of inaccurate transmission of Medicaid eligibility determinations.

As a result of the significant variances identified, auditors determined that automated controls within TIERS were not sufficient to ensure eligibility information was consistently maintained, updated, and recorded across TIERS tables. Conflicting Medicaid records in TIERS increases the risk of providing Medicaid eligibility to ineligible individuals, including to deceased individuals.

Some eligibility records that remained open after an individual's date of death did not result in an inappropriate payment. While the perfect match process should update eligibility information in five different tables, HHSC IT Social Services Applications asserted that only one of those tables is used to send eligibility information to other systems for enrollment, payment calculation, and the provision of services. Auditors compared the Medicaid eligibility information from the applicable table through January 2021 with data from systems with managed care enrollment, fee-for-service enrollment, and paid services information. Based on that comparison, auditors identified 60 deceased individuals with ongoing managed care enrollment and 50 deceased individuals with ongoing fee-for-service enrollment. As a result, ongoing Medicaid eligibility for those individuals resulted in managed care capitation payments of \$660,721.⁸ Additionally, there was \$4,262 in managed care encounters and \$23,489 in fee-for-service claims paid directly to service providers with a service date after the enrolled individual's date of death.

Table 2 details the impact of Medicaid eligibility records that remained open after an individual's date of death.

Table 2: Medicaid Eligibility After Date of Death Resulting in Managed Care and Fee-for-Service Enrollment and Payments

Table	Deceased Individuals	Capitation Payments	Paid Services After Death
Managed Care Enrollment	60	\$660,721	\$ 4,262
Fee-for-Service Enrollment	50	—	\$23,489
<i>Note: Some deceased individuals were enrolled, at different times, in both managed care and fee-for-service enrollment after their date of death.</i>			

Source: OIG Audit

HHSC IT Social Services Applications indicated that eligibility records that remain open after an individual's date of death may be due to (a) variances in eligibility information within TIERS, (b) timing, (c) changes in the underlying eligibility data, or (d) a process that was not always operating as designed.

⁸ The OIG Audit Division recognizes the complexity of eligibility determinations, rate setting, and adjusting capitation payments made to managed care organizations.

Recommendation 1

HHSC Access and Eligibility Services should:

- Retrospectively terminate or update Medicaid eligibility to reflect the date of death for all deceased individuals identified in this audit.

HHSC IT Social Services Applications should:

- Ensure the automated death match process within TIERS (a) correctly identifies perfect and non-perfect matches and (b) initiates the appropriate corresponding action, such as alerting a Texas Works Advisor or closing the Medicaid eligibility records.
- Ensure automated controls within TIERS are sufficient to ensure Medicaid eligibility information is consistently maintained, updated, and recorded across TIERS tables.

HHSC should:

- Recover the managed care capitation payments for the 60 individuals in Medicaid whose eligibility extended beyond their date of death.

Management Response

Agree

Action Plan

HHSC Access and Eligibility Services (AES) will review the list of deceased individuals identified in the audit to determine if Medicaid eligibility should be updated or terminated based on the individual's date of death.

In an effort to reduce future exceptions and findings, HHSC IT Social Services Applications (IT-SSA) will work to identify improvements that ensure the automated death match process initiates the appropriate corresponding action(s).

This will be done by IT-SSA collaborating with AES to ensure all business rules and requirements are captured before sprint development and testing begins.

IT-SSA will also work in collaboration to ensure correct action is taken on any errors discovered on the list of deceased individuals by updating any incorrect client records.

IT-SSA will work with AES to identify opportunities to improve automated controls within TIERS to sufficiently ensure Medicaid eligibility information is consistently maintained, updated, and recorded across TIERS tables by validating and comparing with appropriate trading partners and/or customers.

Managed care capitation payments are recovered through an automated recoupment process for the deceased individuals. Once AES completes the review and required updates, AES will coordinate with Medicaid and CHIP Services (MCS) to assess errors for potential recovery of managed care capitation payments and take action as appropriate.

Responsible Manager

*Associate Commissioner, AES Eligibility Operations
Deputy Associate Commissioner, AES Strategic Innovation and System Support
Director, IT Application Services
Director, IT Social Services Applications*

Target Implementation Date

- *HHSC IT Social Services Applications begin meetings as an internal IT workgroup to identify improvements to automated processes 10/31/2021*
- *AES will complete review of the deceased individuals list identified in the audit by 1/31/2022.*
- *AES will complete assessment of errors for potential recovery by 1/31/2022.*
- *HHSC IT Social Services Applications will begin leading a workgroup jointly with HHSC Access and Eligibility Services to identify opportunities to improve automated controls no later than 2/28/2022.*
- *HHSC IT Social Services Applications will coordinate Reviews, Approvals, and Testing across all areas no later than 5/31/2022.*
- *HHSC IT Social Services Applications will implement improvements to automated processes and controls by 8/31/2022.*

ACCURACY AND COMPLETENESS OF INFORMATION ENTERED INTO TIERS USED TO DETERMINE MEDICAID ELIGIBILITY

HHSC is required to confirm, to the greatest extent possible, that data used for eligibility determinations is accurate, relevant, timely, and complete.⁹ HHSC Access and Eligibility Services enters information into fields on applicable TIERS screens, which is then processed by TIERS to determine Medicaid eligibility.

Issue 2: Automated Controls Were Not Adequate to Reasonably Ensure Information Used to Determine Medicaid Eligibility Was Accurate and Complete

HHSC did not maintain current design documentation¹⁰ for TIERS screens related to citizenship, residency, and identification of deceased individuals. The design documentation provided by HHSC IT Social Services Applications conflicted with Medicaid policy found in the Texas Works Handbook and had not been updated since at least December 2016.

Accurate and current design documentation would allow HHSC to review existing controls within TIERS for adequacy and alignment with Medicaid eligibility policy. The lack of current design documentation increases the risk that automated controls within TIERS are not sufficient to ensure eligibility information entered into TIERS is accurate, complete, and aligns with Medicaid eligibility policy.

Due to the lack of current design documentation, auditors worked with HHSC IT Social Services Applications and HHSC Access and Eligibility Services to identify reasonable controls that should be in place in TIERS to ensure (a) alignment with Medicaid policy and (b) the accuracy and completeness of information entered into TIERS used to determine Medicaid eligibility.

OIG Audit tested 33 fields that HHSC Access and Eligibility Services used or could use to capture information related to citizenship, residency, and identification of deceased individuals. Based on this testing, OIG Audit determined that controls were not always adequate to reasonably ensure that all information used to

⁹ HHS Information Security Controls (IS-Controls), Appendix C, (DI), v. 1.0 (Feb. 9, 2018) through v. 1.1 (Nov. 5, 2020).

¹⁰ In the context of this report, “design documentation” refers to an organization’s record of software design and functionality. This may include items such as the purpose of an automated function, formatting requirements for data within a table, the implementation of security controls, or controls to ensure the accuracy and completeness of data entered into a system.

determine Medicaid eligibility was accurate, complete, and processed in alignment with Medicaid policy or IT best practices.¹¹ Specifically, of those 33 fields:

- 4 fields tested had at least one control not operating as described.
- 22 fields¹² did not contain controls that fully aligned with Medicaid eligibility policy found within the Texas Works Handbook or IT best practices.

Each of the 33 fields tested should have had multiple controls designed to ensure information was accurate and consistent with Medicaid policy requirements found in the Texas Works Handbook and IT best practices. For example, an individual's date of death (a) must be eight digits, (b) must be after the individual's date of birth, and (c) cannot be dated in the future. Auditors considered a field to not have adequate controls if at least one control was considered an exception. Controls were determined to be exceptions when not (a) operating as described, (b) in alignment with Medicaid eligibility policy in the Texas Works Handbook, or (c) following IT best practices.

Table 3 details of the number of fields and controls tested by eligibility category.

Table 3: TIERS Data Input Control Exceptions

Eligibility Category	Fields Tested	Fields with Exceptions	Percent of Fields with Exceptions	Controls Tested	Controls Resulting in an Exception	Percent of Controls Resulting in an Exception
Citizenship	22	17	77%	68	25	37%
Residency	7	3	43%	20	3	15%
Death	4	2	50%	15	2	13%
Total	33	22	67%	103	30	29%

Source: *OIG Audit*

Additionally, OIG Audit identified two areas where information fields do not currently exist in TIERS, but where information would be helpful to determine eligibility according to Medicaid policy in the Texas Works Handbook.

The accuracy of eligibility determinations is dependent on the accuracy of applicant information entered into TIERS. Inaccurate or incomplete eligibility information increases the risk that Medicaid benefits could be incorrectly approved for ineligible individuals or incorrectly denied for eligible individuals.

¹¹ The IT best practices controls identified and used for testing were not specific to Medicaid eligibility requirements. For example, an IT best practice control would require that an individual's date of birth occur before their date of death.

¹² The 22 fields identified include the 4 fields previously identified as including at least one control in place not operating as described.

Pursuant to Standard 9.61 of *Government Auditing Standards* issued by the Comptroller General of the United States, certain information was omitted from this report because the information was deemed to present potential risks related to public safety, security, or the disclosure of private or confidential data. Under the provisions of Texas Government Code Section 552.139, the omitted information is also exempt from the requirements of the Texas Public Information Act.

Details of this issue were communicated separately to HHSC IT Social Services Applications and HHSC Access and Eligibility Services in writing.

Recommendation 2

HHSC Access and Eligibility Services should work with HHSC IT Social Services Applications to strengthen and update automated controls to ensure (a) the integrity of eligibility information entered into TIERS and (b) alignment with Medicaid policy and IT best practices.

HHSC IT Social Services Applications should document and update, as necessary, TIERS design documentation to allow HHSC to review existing controls for adequacy and alignment with Medicaid eligibility policy.

Management Response

Agree

Action Plan

HHSC IT Social Services Applications will work internally with the vendor to update and maintain any and all design documentation, as necessary, to allow HHSC to review existing controls for adequacy and alignment with Medicaid eligibility policy. Reviews will occur with each sprint that includes design changes for Medicaid eligibility.

AES will participate in workgroups led by HHSC IT Social Services Applications (IT- SSA to ensure business rules include the required validation to reasonably ensure that all information used to determine Medicaid eligibility was accurate, complete, and processed in alignment with IT best practices.

Responsible Manager

Director, IT Application Services

Director, IT Social Services Applications

Deputy Associate Commissioner, Strategic Innovation and System Support

Target Implementation Date

- *IT-SSA will begin internal IT workgroup meetings starting on 10/31/2021.*
- *IT-SSA will begin workgroup meetings with HHSC Access and Eligibility Services no later than 1/31/2022.*
- *IT-SSA will conduct review, approvals, and testing across all areas no later than 4/30/2022.*
- *IT-SSA will implement by 8/31/2022.*

APPROPRIATENESS OF USER ACCESS TO TIERS

Access to TIERS and the eligibility information contained within must be limited to authorized users.¹³ In order to meet security requirements, information system accounts must be reviewed every 180 days for compliance with account management requirements, such as valid access appropriateness and intended system usage, and all accounts must be certified annually.^{14,15}

Issue 3: HHSC Did Not Always Ensure Access to TIERS Was Appropriate

HHSC Access and Eligibility Services had a process in place to complete periodic access reviews of TIERS user accounts; however, that process was not effective to identify inappropriate access and did not align with requirements described in state and federal requirements.

Inappropriate access to TIERS increases the risk for misuse or unauthorized changes to federally protected personal health information and personally identifiable information.

Pursuant to Standard 9.61 of *Government Auditing Standards* issued by the Comptroller General of the United States, certain information was omitted from this report because the information was deemed to present potential risks related to public safety, security, or the disclosure of private or confidential data. Under the provisions of Texas Government Code Section 552.139, the omitted information is also exempt from the requirements of the Texas Public Information Act.

Details of this issue were communicated separately to HHSC IT Social Services Applications and HHSC Access and Eligibility Services in writing.

Recommendation 3

HHSC IT Social Services Applications and HHSC Access and Eligibility Services should strengthen controls related to ensuring access to TIERS is appropriate.

¹³ HHS Information Security Controls (IS-Controls), Appendix B, (AC), v. 1.0 (Feb. 9, 2018) through v. 1.1 (Nov. 5, 2020).

¹⁴ HHS Information Security Controls (IS-Controls), Appendix B, AC-02, v. 1.0 (Feb. 9, 2018) through v. 1.1 (Nov. 5, 2020).

¹⁵ The U.S. Centers for Medicare and Medicaid Services, MARS-E Document Suite, AC-2, "Volume III: Catalog of Minimum Acceptable Risk Security and Privacy Controls for Exchanges," v. 2.0 (Nov. 10, 2015).

Management Response

Agree

Action Plan

HHSC Access and Eligibility Services (AES) is responsible for completing periodic access reviews of TIERS user accounts every 180 days (bi-annual) and 365 days (annual) and in accordance with HHS IT policies, standards, processes, and procedures. This review of TIERS user accounts is currently a manual process requiring collaboration with HHSC IT TIERS Operations. User access is removed when an employee with TIERS access transfers to a new business role, is no longer with the agency, or if it is determined there is not a continued need for access.

AES initiated the bi-annual review of TIERS user access on March 30, 2021 and completed the review April 30, 2021. AES is currently conducting the annual TIERS access review, which was initiated on July 1, 2021. The expected completion date for the annual review is August 31, 2021. AES will work with HHSC IT Infrastructure to ensure access reviews are completed on schedule at 180 days and 365 days to meet compliance requirements.

To address inappropriate access of TIERS accounts, AES and HHSC IT Infrastructure implemented an interim process to automatically identify terminated and transferred HHSC employees and lock their TIERS user account until a request to remove their access is submitted by the former employee's supervisor. This process was implemented in April 2021.

In addition, by August 31, 2021, HHSC will modify and distribute employee off-boarding training materials to managers and supervisors of eligibility determination and support staff. HHSC will also implement a process to monitor for incomplete off-boarding activities and escalate issues to responsible supervisors. As a long-term solution, AES has requested TIERS user access management activities to transition to the Enterprise Portal to eliminate the current manual process.

Action Plan

- *AES will distribute employee off-boarding training materials by 8/31/2021.*
- *AES will implement a monitoring process for incomplete off-boarding activities by 8/31/2021.*
- *AES and ITI have increased the frequency of user access reviews from 365 days to 180 days to ensure TIERS user access is appropriate. An interim*

review is underway and scheduled to complete by August 31, 2021. Future user reviews are scheduled for January and June each year.

Responsible Manager

*Associate Commissioner, Eligibility Operations
IT Infrastructure, Director TIERS Operations
Director, IT Infrastructure*

Target Implementation Date

August 31, 2021

CONCLUSION

While TIERS had system and process controls in place, those controls should be strengthened to reasonably ensure that Medicaid eligibility determinations are accurate based on selected eligibility elements. Specifically:

- Automated controls within TIERS were not always adequate to ensure all eligibility records were closed as required for applicable deceased individuals. This resulted in managed care capitation payments of \$660,721 for individuals who were deceased.
- Controls were not always adequate to reasonably ensure that all information used to determine Medicaid eligibility was accurate, complete, and processed in alignment with Medicaid policy.
- HHSC did not have effective access controls to ensure all TIERS user accounts were appropriate.

TIERS had effective controls related to data processing and change management to reasonably ensure the accuracy of selected Medicaid eligibility determinations. Additionally, the verification of selected citizenship and residency information within TIERS was accurate and aligned with the Texas Works Handbook.

OIG Audit offered recommendations to HHSC IT Social Services Applications and HHSC Access and Eligibility Services, which, if implemented, will correct deficiencies in compliance with the Texas Government Code and HHS Information System Security requirements.

OIG Audit thanks management and staff at HHSC IT Social Services Applications and HHSC Access and Eligibility Services for their cooperation and assistance during this audit.

Appendix A: Methodology, Data Reliability, Sampling, and Criteria

Methodology

OIG Audit issued an engagement letter to both HHSC IT Social Services Applications and HHSC Access and Eligibility Services on September 8, 2020, to provide information about the audit and conducted fieldwork from September 8, 2020, through April 30, 2021.

The audit included a review of internal controls as well as testing of internal controls that were significant to determining Medicaid eligibility within TIERS. To accomplish the audit objective, auditors conducted interviews with HHSC IT Social Services Applications and HHSC Access and Eligibility Services management and staff and reviewed:

- Internal controls, including components of internal control significant within the context of the audit objectives.¹⁶
- Statutes, guidelines, and operating policies and procedures relevant to change management; citizenship, residency, and identification of deceased individuals in TIERS; and TIERS user account management.
- TIERS controls for entering information compared with Medicaid eligibility policy.
- Third-party databases to verify the residency and citizenship information of selected individuals in Medicaid.
- Decision table performance and logic in determining Medicaid eligibility.
- Automated controls relevant to closing TIERS eligibility based on death records from DSHS Vital Statistics.
- Evidence of design, authorization, and approval of selected policy changes applicable to TIERS.

¹⁶ For more information on the components of internal control, see the United States Government Accountability Office's "Standards for Internal Control in the Federal Government," (Sept. 2014), <https://www.gao.gov/assets/gao-14-704g.pdf> (accessed Apr. 16, 2021).

Data Reliability

TIERS Eligibility Data

To assess the reliability of TIERS eligibility data, auditors (a) analyzed the data sets and query language for reasonableness and completeness, (b) reviewed related documentation, and (c) worked closely with agency officials to identify any data problems. HHSC IT Social Services Applications was unable to provide complete assurance that the Medicaid population provided to the audit team was complete and, as discussed in Issue 1 above, significant variances in Medicaid medical program enrollment were identified between multiple tables. Auditors determined the data was of undetermined reliability; however, TIERS eligibility data was the best source of data available for the purposes of this audit.

TIERS User Data

To assess the reliability of TIERS user data, auditors (a) analyzed the data sets and query language for reasonableness and completeness, (b) reviewed existing information about the data and the system that produced the data sets, and (c) interviewed agency officials knowledgeable about the data. Auditors determined that the data was sufficiently reliable for the purposes of this audit.

Sampling Methodology

Auditors did not use a sampling methodology for testing TIERS death match processing and terminated employee access to TIERS. Instead, auditors collected, reviewed, and analyzed complete populations of data to perform selected tests and other procedures. Therefore, auditors did not need to project testing results to the populations.

Auditors selected risk-based, nonstatistical samples for the following testing areas:

- TIERS change management controls
- TIERS data input controls
- TIERS data processing controls

These sample designs were chosen to address specific risk factors identified in the populations. The sample items were not necessarily representative of the populations; therefore, it would not be appropriate to project the test results to those populations.

Auditors selected nonstatistical samples related to TIERS third-party database verification and user access control testing primarily through random selection. The sample items were not necessarily representative of the populations; therefore, it would not be appropriate to project the test results to those populations.

Criteria

OIG Audit used the following criteria to evaluate the information provided:

- The U.S. Centers for Medicare and Medicaid Services, MARS-E Document Suite, “Volume III: Catalog of Minimum Acceptable Risk Security and Privacy Controls for Exchanges,” v. 2.0 (2015)
- Texas Gov. Code § 531.0214 (2015)
- HHS Information Security Controls (IS-Controls), v. 1.0 (2018) and v. 1.1 (2020)
- Texas Works Handbook, revision 13-2 (2013) through 21-1 (2021)
- TIERS Operations: TIERS System Security Plan, v. 2.6 (2020)
- TIERS Operations Change Management Policy, v. 4.1 (2019) through v. 4.2 (2020)
- TIERS Operations Change Management Procedure, v. 4.1 (2019) through v. 4.2 (2020)

Appendix B: Tested TIERS Input Controls

Auditors worked with HHSC IT Social Services Applications and HHSC Access and Eligibility Services to identify 33 fields, and their related controls, used to enter information related to citizenship, residency, and identification of deceased individuals.

Auditors tested those 33 fields for controls in place and areas where controls should be strengthened to better ensure alignment with Medicaid eligibility policy found within the Texas Works Handbook and IT best practices.

Table B.1: Breakdown of Audit Work Performed

Eligibility Category	Field Tested
Death	<ul style="list-style-type: none"> - Date of Birth - If deceased, date of death - Deceased Verification - Comments
Residency	<ul style="list-style-type: none"> - Did the family move from another state? - If yes, state moved from - Date - Is the individual a Texas resident? - Residency Verification - Not Required Explanation - Does the family intend to remain in Texas?
Citizenship	<ul style="list-style-type: none"> - Identification Number - ID Verification - Identity Verification Comments - US Citizen - Alien Registration Number¹⁷ - Citizen Status Declared - Citizen Verification - Citizen Verification Comments - Alien Status - Verified by DHS (SAVE, HUB) - Secondary Verification Institution - Document - Annotation - Document ID - SAVE Verification Number - Does USCIS documentation have an expiration date? - USCIS documentation expiration date - USCIS Documented US Entry Date - What date did this person begin to continuously reside in the United States? - Continuous Residence Verification - Residence Begin Date Verification

Source: *OIG Audit*

¹⁷ The controls for two different fields titled “Alien Registration Number” were tested.

Appendix C: Report Team and Distribution

Report Team

OIG staff members who contributed to this audit report include:

- Audrey O’Neill, CIA, CFE, CGAP, Chief of Audit and Inspections
- Kacy J. VerColen, CPA, Deputy Inspector General of Audit and Inspections
- Tammie Wells, CIA, CFE, Audit Director
- Sarah Warfel, CPA, CISA, Senior Managing Auditor
- Brad Etnyre, CIA, CGAP, Senior Auditor
- Rebecca Weaver, CFE, Staff Auditor
- Nick Moore, Associate Auditor
- Kanette Blomberg, CPA, Quality Assurance Reviewer
- Ashley Rains, CFE, Senior Audit Operations Analyst

Report Distribution

Health and Human Services

- Cecile Erwin Young, Executive Commissioner
- Kate Hendrix, Chief of Staff
- Maurice McCreary, Jr., Chief Operating Officer
- Victoria Ford, Chief Policy and Regulatory Officer
- Karen Ray, Chief Counsel
- Michelle Alletto, Chief Program and Services Officer
- Nicole Guerrero, Director of Internal Audit
- Ricardo Blanco, Deputy Executive Commissioner of Information Technology
- Wayne Salter, Deputy Executive Commissioner of Access and Eligibility Services
- Bill D’Aiuto, Deputy Associate Commissioner of Eligibility Operations

- Stephanie Stephens, State Medicaid Director, Medicaid and CHIP Services
- Emily Zalkovsky, Deputy State Medicaid Director, Medicaid and CHIP Services
- Katherine Scheib, Deputy Associate Commissioner, Medicaid and CHIP Services
- Shannon Kelley, Associate Commissioner for Managed Care, Medicaid and CHIP Services
- Molly Lester, CPSO Policy Director, Office of the Chief Program and Services Officer
- Larry Lusk, Director, IT Social Services Applications

Appendix D: OIG Mission, Leadership, and Contact Information

The mission of OIG is to prevent, detect, and deter fraud, waste, and abuse through the audit, 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
- Susan Biles, Chief of Staff
- Dirk Johnson, Chief Counsel
- Christine Maldonado, Chief of Operations and Workforce Leadership
- Juliet Charron, Chief of Strategy
- Steve Johnson, Chief of Investigations and Reviews

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