



# ANNUAL AUDIT AND INSPECTIONS PLAN

Fiscal Year 2024



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# INTRODUCTION

## Role of the OIG

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

The OIG's 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, or services provided by the Department of Family and Protective Services (DFPS) and the enforcement of state law relating to the provision of these services."

The OIG's primary tools for detecting, deterring, and preventing fraud, waste, and abuse are:

- Audits (conducted under the Generally Accepted Government Auditing Standards, which are also known collectively as the "Yellow Book" standard).
- Investigations (conducted pursuant to generally accepted investigative policies).
- Inspections (conducted under the federal "Blue Book" standard).
- Reviews (conducted under the Principles and Standards for Offices of Inspector General, which is also known as the "Green Book," developed by the Association of Inspectors General).

## OIG Principles

### Vision

Promoting the health and safety of Texans by protecting the integrity of state health and human services delivery.

### Values

Accountability. Integrity. Collaboration. Excellence.

### Mission

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.

# AUDIT AND INSPECTIONS AUTHORITY

Texas Government Code Section 531.102 created the OIG in 2003 and gives the OIG the responsibility to audit and inspect 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 or services provided by DFPS.<sup>1</sup>

The OIG's authority to conduct audits and inspections is derived from several statutes and rules, including:

- Section 531.102(h)(4) permits the OIG to audit and inspect 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 OIG 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 OIG investigate, including by means of regular audits and inspections, possible fraud, waste, and abuse by managed care organizations (MCOs).<sup>4</sup> Section 531.102(s) also establishes the OIG's authority to utilize a peer-reviewed sampling and extrapolation process when auditing provider records.<sup>5</sup>
- In 2023, the 88<sup>th</sup> Texas Legislature amended Government Code Section 531.1025 to require OIG to conduct a performance audit of each local mental health authority (LMHA) and local behavior health authority (LBHA) at least once every five years.

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<sup>1</sup> Tex. Gov. Code § 531.102(a) (Sept. 1, 2017).

<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 OIG adopted RAT/STATS, statistical software available from the U.S. 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 Medicare and Medicaid Services' Medicare Program Integrity Manual.

# AUDIT AND INSPECTIONS UNIVERSE

The audit and inspections universe represents an inventory of all potential areas that can be audited and inspected by the OIG. The OIG Audit and Inspections Division defines its audit and inspections universe as the departments, programs, functions, and processes within the HHS System and DFPS, including services delivered through providers and contractors. Those potential areas include:

## Health and Human Services System

### *Administrative Services*

- Financial services
- Information technology
- Internal audit
- Legal
- Ombudsman
- Policy and performance
- Procurement and contracting services
- System support services

### *Departments*

- Health and specialty care system
- Regulatory services
- Access and eligibility services
- Family health services
- Community services
- Behavioral health services
- Medicaid and CHIP services

## Department of State Health Services (DSHS)

- Community health improvement
- Consumer protection
- Laboratory and infectious disease services
- Program operations
- Regional and local health operations

## Department of Family and Protective Services (DFPS)

- Adult protective services
- Child protective services
- Child protective investigations
- Child prevention and community well-being
- Statewide intake

## Medicaid Managed Care

### *Managed Care Entities, Subcontractors, and Providers*

- Managed care organizations (MCOs)
- Dental maintenance organizations (DMOs)
- Medical transportation organizations (MTOs)
- Behavioral health organizations (BHOs)
- Managed vision care (MVC)
- Pharmacy benefit managers (PBMs)
- Third-party administrators (TPAs)

### *Managed Care Programs*

- Children's Health Insurance Program (CHIP)
- Children's Medicaid Dental Services
- CHIP Dental
- Medical Transportation Program
- Texas Dual Eligible Integrated Care Demonstration Project (Medicare-Medicaid Plans)
- State of Texas Access Reform (STAR)
- STAR+PLUS
- STAR Kids
- STAR Health
- STAR+PLUS Pilot Program (SP3)

## Services Delivered Through Providers and Contractors

The audit and inspections 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 and targeted)
- Clinic Services
- COVID-19 § 6004 and 6008 expenditures
- Critical access hospital services
- Dental services
- Diagnostic screening and preventative services
- Emergency hospital 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
- Hospice
- Inpatient hospital services
- Inpatient mental health facility services
- Intermediate care facility services
- Laboratory and radiological services
- Medical equipment
- Medical transportation
- Mental health facility services
- Nonemergency medical transportation
- Nursing care services
- Nurse practitioner services
- Nursing facility services
- Occupational therapy
- Other care services
- Other practitioners' services
- Outpatient hospital services
- Physical therapy
- Physician and surgical services
- Prescribed drugs
- Preventative services
- Primary care and case management
- Private duty nursing
- Programs of all-inclusive care for the elderly
- Prosthetic devices, dentures, and eyeglasses
- Rehabilitative services (non-school-based)
- Rural health clinic screening services
- School-based services
- Screening services component of early and periodic screening, diagnosis, and treatment services
- Services for speech, hearing, and language
- Sterilizations
- Therapy services
- Tobacco cessation for pregnant women
- Vision services

## *Other Services*

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

- Adoption and permanency services
- Autism program
- Child advocacy programs
- Deaf and hard of hearing services
- Emergency medical services (EMS)
- Family violence services
- Foster care
- Guardianship
- HIV/STD prevention services
- Population-based services
- Prevention and community well-being
- Public health preparedness
- Substance abuse, prevention, intervention, and treatment
- Supplemental Nutrition Assistance Program (SNAP)
- Temporary Assistance for Needy Families
- Women, Infants, and Children (WIC)



# RISK ASSESSMENT

The OIG Audit and Inspections Division conducts continuous risk assessment activities to identify potential audit topics for inclusion in its Annual Audit and Inspections Plan. Potential audit and inspection topics consist of programs, services, providers, and contractors with an elevated potential for fraud, waste, and abuse.

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

- Coordinating with:
  - the HHS System Internal Audit Division.
  - the DFPS Internal Audit Division.
- Ongoing data analysis to identify potential trends that may indicate (a) potential fraud, waste, or abuse or (b) other systemic issues.
- Reviewing past, current, and planned work performed by external organizations, including:
  - Texas State Auditor’s Office (SAO)
  - U.S. Department of Agriculture Office of Inspector General (USDA OIG)
  - U.S. Department of Health and Human Services Centers for Medicare and Medicaid Services (CMS)
  - U.S. Department of Health and Human Services Office of Inspector General (HHS OIG)
  - U.S. Government Accountability Office (GAO)
- Conducting interviews with HHS System and DFPS management and staff and external stakeholders.
- Coordinating with the OIG Investigations and Utilization Reviews Division.
- Reviewing the results of external reviews conducted on MCOs.
- Monitoring relevant Texas House and Senate legislative committee hearings.
- Requesting referrals from within the OIG, the HHS System, DFPS, and the public.<sup>6</sup>

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<sup>6</sup> Members of the public are encouraged to report suspected fraud, waste, or abuse by recipients or providers in Texas HHS programs by calling the OIG toll-free Integrity Line at 1-800-436-6184 or submitting a referral online at [ReportTexasFraud.com](https://www.reporttexasfraud.com).

- Considering impacts of emergency events or extenuating circumstances, such as the COVID-19 public health emergency.
- Other ongoing risk assessment activities.

After compiling the list of potential audit and inspections topics, the OIG Audit and Inspections Division considers several factors to select audits for its Annual Audit and Inspections Plan, including:

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

## TYPES OF AUDITS AND INSPECTIONS

To help identify and reduce fraud, waste, and abuse, the OIG Audit and Inspections Division conducts risk-based performance audits related to (a) services delivered through medical providers and contractors and (b) programs, functions, processes, and systems within the HHS System and DFPS. While variations occur for which audit type is performed, those audit types are generally defined as follows:

- HHS System and DFPS audits—Review the effectiveness and efficiency of HHS System and DFPS program performance and operations.
- Provider audits—Assess medical service provider compliance with criteria contained in statutes, rules, guidance, or contracts and determine whether funds were used as intended.
- Contractor audits—Evaluate contractor performance for compliance with contract requirements and determine whether funds were used as intended.
- Information technology audits—Assess compliance with applicable information technology requirements and examine the effectiveness of general and application controls for systems that support HHS System and DFPS programs or are used by contractors or business partners who process and store information on behalf of HHS and DFPS programs.

The OIG Audit and Inspections Division also conducts inspections of HHS programs, systems, and functions, including inspections of contractors, vendors, and providers.

Audits and inspections may result in recommendations to improve the provision and delivery of health and human services in the state. Recommendations may include options for how funds may be utilized in a more efficient and effective manner or for information technology control improvements to mitigate security vulnerabilities. They may also identify questioned or unsupported costs and include recoveries, liquidated damages, and penalties or other sanctions.

# CARRY-OVER AUDITS IN PROGRESS

The following audit projects were in progress as of August 31, 2023.

## **Local Mental Health Authority (LMHA) and Behavioral Health Authority (LBHA) Performance**

### Preliminary Objective

To determine whether selected LMHAs and LHBA's complied with selected standards, rules, and contractual requirements, as required by Senate Bill 26, Eighty-eighth Texas Legislature Regular Session.

## **Long-Term Care Discharges**

### Preliminary Objective

To determine whether selected nursing facilities discharged residents in accordance with selected standards, rules, and contractual requirements.

## **MCO and DMO Financial Statistical Reporting**

### Preliminary Objective

To determine whether the selected MCO or DMO (a) reported expenses on its financial statistical report submitted to HHSC in accordance with contract requirements and laws and (b) related internal controls over the preparation of its financial statistical report were designed and operating effectively.

## **Pharmacy Benefits Manager (PBM) Spread Pricing**

### Preliminary Objective

To determine whether the selected MCO had processes and controls in place to ensure payments to and reimbursements for managed care pharmacy services were (a) based on actual amounts paid to the pharmacies, (b) accurately reported on financial statistical reports, and (c) complied with the Uniform Managed Care Contract and other applicable requirements related to reimbursement methods and spread pricing.

## **Pharmacy in Managed Care**

### Preliminary Objective

To determine whether the selected pharmacy (a) properly billed for paid claims associated with enrolled Texas Medicaid members and (b) complied with applicable contractual, state, and federal requirements.

## **Prescribed Pediatric Extended Care Centers**

### Preliminary Objective

To determine whether the selected prescribed pediatric extended care center (PPECC) provided services in accordance with selected rules, statutes, and requirements.

## **Telemedicine**

### Preliminary Objective

To determine whether telemedicine services provided during the COVID-19 waiver period (a) were billed accurately and (b) followed applicable requirements.

# CARRY-OVER INSPECTIONS IN PROGRESS

The following inspections projects were in progress as of August 31, 2023.

## **Wound Care Billing**

### Preliminary Objective

To determine whether selected providers billed Medicaid for wound care supplies in accordance with applicable requirements.

# FISCAL YEAR 2024 AUDIT PLAN

The HHS System has more than 39,000 employees responsible for managing approximately \$52.6 billion each year,<sup>7</sup> and DFPS has approximately 12,000 employees responsible for managing approximately \$2.5 billion each year.<sup>8</sup> Collectively, the HHS System and DFPS have over 200 programs providing needed services to millions of Texans. These programs are subject to (a) federal and state regulations, statutes, and rules and (b) 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 shifting priorities. As a result, risks associated with HHS System and DFPS functions are constantly evolving.

In an effort to respond to continuously changing risks and an evolving service delivery environment, and to accommodate requests for audit services, the OIG Audit and Inspections Division will periodically update the audit projects listed in this section. Audit projects will be planned and initiated based on current priorities and the availability of audit staff members needed to form audit teams.

While the OIG anticipates it will initiate all audits listed below, changing risks and priorities could result in some of the planned audits not being initiated or in other audits, not listed below, being initiated.

## HHS System Audits

### **Clinical Management for Behavioral Health Systems (CMBHS) Data System**

#### Preliminary Objective

To determine whether HHSC had processes and controls in place to ensure that selected substance abuse and mental health services providers utilized the CMBHS Data System in accordance with selected rules, statutes, and requirements.

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<sup>7</sup> \$52.6 billion represents the sum of the state fiscal year 2023 appropriations reported in House Bill 1, General Appropriations Act for 2022–23 Biennium (May 2021) for DSHS and HHSC, which was approximately \$40.2 billion, in addition to the amount reported for SNAP benefits in the State of Texas Schedule of Expenditures of Federal Awards for the year ended August 31, 2023, which was approximately \$12.4 billion.

<sup>8</sup> \$2.4 billion represents the sum of the fiscal year 2024 appropriations reported in House Bill 1, General Appropriations Act for 2023–24 Biennium (May 2023) for DFPS.

## **Comprehensive Rehabilitation Services**

### Preliminary Objective

To determine whether HHSC had processes and controls in place to ensure that the Comprehensive Rehabilitation Services Program was administered in accordance with selected rules, statutes, and requirements.

## **Day Care Regulation**

### Preliminary Objective

To determine whether HHSC licensed and renewed childcare operations in accordance with selected rules, statutes, and requirements.

## **Texas Integrated Eligibility Redesign System (TIERS) Data Processing and Integrity**

### Preliminary Objective

To determine whether selected TIERS automated and process controls were operating effectively.

## **Contractor Audits**

### **Department of Family and Protective Services (DFPS) Selected Contracts**

#### Preliminary Objective

To determine whether DFPS contractors complied with selected contractual requirements.

### **Department of State Health Services (DSHS) Selected Contracts**

#### Preliminary Objective

To determine whether DSHS contractors complied with selected contractual requirements.

### **Health and Human Services Commission (HHSC) Selected Contracts**

#### Preliminary Objective

To determine whether HHSC contractors complied with selected contractual requirements.



## **MCO Information Technology**

### Preliminary Objective

To determine whether (a) confidential HHS system information in the custody of the selected MCO was protected and (b) plans were developed and tested and the MCO's workforce was trained to provide availability and continuity of business operations.

## **MCO Reporting of Provider Refunds**

### Preliminary Objective

To determine whether the selected MCO (a) reported refunds, overpayments, and other funds received from providers and (b) maintained documentation to support those amounts.

## **MCO Special Investigative Unit (SIU)**

### Preliminary Objective

To determine whether the selected MCO complied with state and contractual requirements related to (a) preventing, detecting, and investigating fraud, waste, and abuse and (b) reporting reliable information to HHSC on SIU activities, results, and recoveries.

## **MCO Subcontracted Networks**

### Preliminary Objective

To determine whether the selected MCO had processes and controls in place to ensure its contractors and subcontractors provided services in accordance with selected rules, statutes, and requirements.

## **Nursing Facility Outlier Claims**

### Preliminary Objective

To determine whether the selected MCO participating in the STAR+PLUS waiver program implemented processes and controls to ensure it accurately and timely adjudicated qualified nursing facility provider clean claims.

## **Pharmacy Benefits Manager (PBM)**

### Preliminary Objective

To determine whether the selected MCO had controls in place to ensure payments to its subcontracted PBM (a) were based on actual amounts paid to pharmacies for dispensing

and ingredient costs, including any discounts, refunds, or other return payments; (b) were accurately reported on financial statistical reports; and (c) complied with other related requirements.

### **STAR+PLUS Waiver**

#### Preliminary Objective

To determine whether the selected MCO (a) upgraded members to the STAR+PLUS waiver program in accordance with applicable contractual requirements, laws, rules, and guidelines and (b) maintained adequate support for those upgrades.

### **Substance Use Disorder (SUD) Treatment Facility**

#### Preliminary Objective

To determine whether the selected SUD treatment facility services (a) were provided in accordance with contractual requirements and (b) supported the payment received.

## **Provider Audits**

### **Assisted Living Facilities**

#### Preliminary Objective

To determine whether the selected assisted living facility complied with selected rules, statutes, and requirements.

### **Centers for Independent Living**

#### Preliminary Objective

To determine whether selected centers for independent living provided services in compliance with selected standards, rules, and contractual requirements.

### **Consumer Directed Services**

#### Preliminary Objective

To determine whether selected contractors had processes and controls in place to ensure that consumer directed services were provided in accordance with selected rules, statutes, and requirements.

## **Durable Medical Equipment (DME) Providers in Managed Care**

### Preliminary Objective

To determine whether documentation to support the authorization and delivery of DME and supplies associated with Texas Medicaid claims submitted by and paid to a selected MCO (a) existed and (b) were completed in accordance with applicable state laws, rules, and guidelines.

## **Federally Qualified Health Centers (FQHCs)**

### Preliminary Objective

To determine whether selected federally qualified health centers complied with selected rules, statutes, and requirements.

## **Home and Community-Based Services (HCBS) Cost Reporting**

### Preliminary Objective

To determine whether selected HCBS 1915(c) and 1915(i) HCBS Adult Mental Health (HCBS-AMH) providers submitted cost reports in compliance with selected rules, statutes, and requirements.

## **Nonemergency Medical Transportation (NEMT)**

### Preliminary Objective

To determine whether selected NEMT providers complied with selected rules, statutes, and requirements.

## **Pediatric Hospice Services**

### Preliminary Objective

To determine whether the selected pediatric hospice service provider delivered services in accordance with applicable state laws, rules, and guidelines.

## **Projects for Assistance in Transition from Homelessness (PATH)**

### Preliminary Objective

To determine whether selected providers of PATH services complied with selected standards, rules, and contractual requirements.

# Information Technology Audits

## MCO Information Technology

### Preliminary Objective

To determine whether (a) confidential HHS System information in the custody of the selected MCO was protected and (b) plans were developed and tested and the MCO's workforce was trained to provide availability and continuity of business operations.

## Other Audits

### Follow-Up on Selected Recommendations

#### Preliminary Objective

To determine the implementation status of selected prior OIG audit recommendations.

# FISCAL YEAR 2024 INSPECTIONS PLAN

The following inspection topics will be initiated based on priority and may result in a series of inspections of multiple entities to allow for adequate coverage of the topic or program.

## **Follow-Up on Selected Recommendations**

### Preliminary Objectives

To determine the implementation status of selected prior OIG inspection recommendations.

## **MCO Case-By-Case Reporting**

### Preliminary Objective

To determine whether the selected MCO reported case-by-case services in accordance with applicable requirements.

## **MCO Provider Claims Appeals**

### Preliminary Objective

To determine whether the selected MCO's system for tracking and resolving provider appeals (a) was established in compliance with statutes and contractual agreements and (b) is functioning as intended.

## **Nursing Facility Abuse, Neglect, and Exploitation Reporting**

### Preliminary Objective

To determine whether the selected nursing facility had processes and controls to ensure it complied with abuse, neglect, and exploitation reporting requirements.

## **Nursing Facility Transfers to Emergency Rooms**

### Preliminary Objective

To determine whether selected nursing facilities (a) have written transfer agreements with hospitals and (b) have processes to ensure compliance with requirements governing resident transfer documentation.

## **Opioid Prescribing Practices**

### Preliminary Objective

To determine whether the pharmacy had processes and controls in place to ensure it dispensed opioids or other controlled substances in accordance with selected rules, statutes, and requirements.

## **Trust Funds in Nursing Facilities**

### Preliminary Objective

To determine whether selected nursing facilities complied with certain requirements related to residents' personal funds accounts.

# FISCAL YEAR 2023 AUDIT AND INSPECTIONS REPORTS ISSUED

The OIG issued the following audit reports between September 1, 2022, and August 31, 2023:

Audit	Report Issue Date	Key Findings
Texas Medicaid and CHIP Enrollment Broker: Maximus Inc: Member Communications	September 2, 2022	<ul style="list-style-type: none"> <li>• Maximus accurately received and processed member plan selections but should improve its default enrollment process for CHIP Members.</li> <li>• Maximus accurately communicated enrollment-related transactions and enrollment-related information to members but should improve its process for resolving transactions denied by TIERS and should identify accurate enrollment deadlines.</li> <li>• Maximus should strengthen its mailing contractor monitoring and certain information system controls.</li> </ul>
Oversight of the HHSC Home and Community-Based Services (HCS) Program: HHS Regulatory Services Division and HHS Contract Administration and Provider Monitoring	November 22, 2022	<ul style="list-style-type: none"> <li>• HHS Long Term Care Regulation (LTCR) did not consistently review homes timely.</li> <li>• LTCR misclassified or incorrectly designated some residential review results.</li> <li>• LTCR did not always accurately document or consistently communicate residential results.</li> <li>• LTCR did not consistently document the review and approval of evidence of corrections and performance of follow-up.</li> <li>• LTCR and HHS Medicaid and CHIP Services (MCS) Contract Administration and Provider Monitoring (CAPM) should identify opportunities to streamline enforcement processes and incorporate available enforcement actions into contract renewals.</li> </ul>
Medicaid and CHIP MCO Special Investigative Units	November 28, 2022	<p>MCOs generally performed most required special investigative unit (SIU) functions, however:</p> <ul style="list-style-type: none"> <li>• Most MCOs had findings related to reporting SIU activities or referrals to OIG.</li> <li>• Most MCOs did not consistently comply with certain aspects of investigation timelines.</li> <li>• Some MCOs did not adequately perform all required investigation elements.</li> </ul>

Audit	Report Issue Date	Key Findings
Thompson Emergency Shelter, Operated by Boysville	February 28, 2023	<ul style="list-style-type: none"> <li>Boysville could not support some selected expenses included on its cost report.</li> <li>Boysville should strengthen its process to identify and report inaccurate payments from DFPS.</li> <li>Boysville did not always provide support that it met child-to-caregiver ratios.</li> <li>Boysville completed service plans and most health screenings, but it did not always perform the tasks timely.</li> <li>Boysville ensured that staff met certain employment requirements.</li> </ul>
Managed Care Organization Oversight of Durable Medical Equipment Providers: Blue Cross and Blue Shield of Texas (BCBSTX)	March 23, 2023	<ul style="list-style-type: none"> <li>BCBSTX did not always reimburse durable medical equipment (DME) providers for claims as required.</li> <li>BCBSTX did not always validate that the provider ensured DME was authorized, medically necessary, or received by members.</li> <li>BCBSTX did not verify miscellaneous DME claims were paid as required.</li> </ul>
Sherry Matthews Group (SMG): A Texas Health and Human Services Commission Special Supplemental Nutrition Program for Women, Infants and Children (WIC) Contractor	March 31, 2023	<ul style="list-style-type: none"> <li>SMG Billed HHSC for Payroll Expenses that were inaccurate or unsupported.</li> <li>SMG did not follow the requirements for using subcontractors.</li> </ul>
Family Violence Prevention Services, Inc. (FVPS): An HHSC Family Violence Program Contractor	June 15, 2023	<ul style="list-style-type: none"> <li>FVPS had financial processes and controls in place to help ensure grant expenditures were accurate, allowable, and supported.</li> </ul>
Bridge Emergency Shelter Operated by Roy Maas Youth Alternatives (RMYA)	June 30, 2023	<ul style="list-style-type: none"> <li>RMYA could not support some expenses included in its cost report.</li> <li>RMYA complied with the selected requirements tested.</li> </ul>
Women's Protective Services of Lubbock (WPS)	June 30, 2023	<ul style="list-style-type: none"> <li>WPS did not have sufficient processes and controls in place to track and safeguard assets.</li> <li>WPS did not have sufficient processes and controls over purchases.</li> </ul>
Follow-Up Assessment on Previously Issued Audit Recommendations: Security Controls Over Confidential HHS System Information at El Paso Health	July 14, 2023	<ul style="list-style-type: none"> <li>El Paso Health fully implemented all reported audit recommendations. As a result, OIG Audit did not reissue any recommendations from the previous audit.</li> </ul>



Audit	Report Issue Date	Key Findings
Fred and Mabel R. Parks Emergency Shelter Operated by Parks Youth Ranch	July 18, 2023	<ul style="list-style-type: none"> <li>• Parks Youth Ranch included unallowable costs on its cost report.</li> <li>• Parks Youth Ranch did not always complete service plans.</li> <li>• Parks Youth Ranch complied with the selected requirements tested.</li> </ul>
Follow-Up Assessment on Previously Issued Audit Recommendations: Financial Statistical Reports and Information Security at DentaQuest USA Insurance Company, Inc.	July 28, 2023	<ul style="list-style-type: none"> <li>• DentaQuest fully implemented all reported audit recommendations. As a result, OIG Audit did not reissue any recommendations from the previous audit.</li> </ul>
Follow-Up Assessment on Previously Issued Audit Recommendations: Security Controls Over Confidential HHS Information at Aetna Better Health of Texas	August 4, 2023	<ul style="list-style-type: none"> <li>• Aetna fully implemented all reported audit recommendations using a process, system, or policy. As a result, OIG Audit did not reissue any recommendations from the previous audit.</li> </ul>
Financial Statistical Report: Texas Children’s Health Plan	August 7, 2023	<ul style="list-style-type: none"> <li>• Texas Children’s Health Plan did not include alternative payment model expenses paid to affiliates in its fair market value analysis.</li> <li>• Texas Children’s Health Plan inaccurately reported expenses above its provider rate for affiliate inpatient claims expenses tested.</li> </ul>
Follow-Up Assessment on Previously Issued Audit Recommendations: Security Controls Over Confidential HHS System Information at Parkland Community Health Plan Inc.	August 7, 2023	<ul style="list-style-type: none"> <li>• Parkland fully implemented all reported audit recommendations using a process, system, or policy. As a result, OIG Audit did not reissue any recommendations from the previous audit.</li> </ul>
Managed Care Organization, Vendor Drug Program: Texas Children’s Hospital Health-Specialty Pharmacy	August 8, 2023	<ul style="list-style-type: none"> <li>• Texas Children’s Hospital Health-Specialty Pharmacy did not consistently comply with some requirements for medication dispensing and claims submission.</li> </ul>

Audit	Report Issue Date	Key Findings
Special Investigative Units: Parkland	August 10, 2023	<ul style="list-style-type: none"> <li>• Parkland’s preliminary investigations did not always contain the required elements or meet the required timelines.</li> <li>• Parkland did not refer the tested extensive investigations that identified possible fraud, waste, or abuse to the OIG within the required timelines</li> <li>• Parkland did not provide employees who were directly involved with Medicaid or the Children’s Health Insurance Program (CHIP) fraud, waste, and abuse training within 90 days of their start dates</li> </ul>
Information Technology: Driscoll	August 15, 2023	<ul style="list-style-type: none"> <li>• Driscoll did not timely disable user accounts, which had access to confidential HHS System information when access was no longer required.</li> <li>• Driscoll did not manage user access for transferring employees.</li> <li>• Driscoll did not require consultants to complete security and awareness training as required.</li> </ul>
Telemed Psychiatric:	August 18, 2023	<ul style="list-style-type: none"> <li>• Psychiatric did not separately identify evaluation and management and add-on psychotherapy services for behavioral health claims tested.</li> </ul>
Follow-Up Assessment on Previously Issued Audit Recommendations: Fee-for-Service Claims Submitted by Aveanna Healthcare Medical Solutions	August 21, 2023	<ul style="list-style-type: none"> <li>• Aveanna successfully implemented the recommendation using a process, system, or policy. Aveanna should make improvements as exceptions were identified during review.</li> </ul>
Prescribed Pediatric Extended Care Centers PPECC: Lauve’s Longview	August 22, 2023	<ul style="list-style-type: none"> <li>• Lauve’s Pediatric did not always meet required staffing ratios, coordinate with therapy providers, perform required annual employment checks, and correctly submit claims.</li> </ul>
The Texas Department of State Health Services (DSHS) Oversight for Preventative Services	August 22, 2023	<ul style="list-style-type: none"> <li>• DSHS did not effectively communicate information security and confidentiality control requirements to contracted local health departments participating in the STD/HIV Prevention Services Program.</li> </ul>
Special Investigative Units: Driscoll	August 23, 2023	<ul style="list-style-type: none"> <li>• Driscoll Children’s Health Plan (Driscoll) did not comply with certain state and contractual requirements related to preventing, detecting, and investigating fraud, waste, and abuse.</li> <li>• Driscoll did not activities, results, and recoveries reporting reliable information on SIU</li> </ul>

Audit	Report Issue Date	Key Findings
Family Violence Program: The Bridge	August 30, 2023	<ul style="list-style-type: none"> <li>The Bridge included unallowable or unsupported salary allocations.</li> <li>The Bridget did not align with the HHSC budget.</li> <li>The Bridge could not support how costs were allocated to the Family Violence Program grant.</li> </ul>

The OIG Audit and Inspections Division contracted with external audit services entities that completed audits of the following providers between September 1, 2022, and August 31, 2023:

Audit	Report Issue Date
Metrocare	August 4, 2023
15RX Pharmacy #3	August 4, 2023
R Medical	August 4, 2023
Express Pharmacy #3	August 8, 2023
Lifeline Valley	August 8, 2023
Cook Children's Physician Network	August 21, 2023
Aapex	August 23, 2023
Little Spurs Pediatric Urgent Care	August 24, 2023
Edinburg Pediatric Network	August 29, 2023
Robert Canales, MD	August 30, 2023

The OIG issued the following inspection reports between September 1, 2022, and August 31, 2023.

Inspection	Report Issue Date	Key Findings
Nursing Facility Emergency Preparedness: Villa Toscana at Cypress Woods	September 28, 2022	<ul style="list-style-type: none"> <li>Villa Toscana's emergency preparedness plans and processes complied with the state and federal emergency preparedness requirements for nursing facilities reviewed as part of this inspection.</li> </ul>
Nursing Facility Emergency Preparedness: Oak Park Nursing & Rehabilitation Center	September 28, 2022	<ul style="list-style-type: none"> <li>Oak Park's emergency preparedness plans and processes complied with the state and federal emergency preparedness requirements for nursing facilities reviewed as part of this inspection.</li> </ul>
Nursing Facility Emergency Preparedness: Focused Care at Westwood	October 4, 2022	<ul style="list-style-type: none"> <li>Focused Care's communication plan did not contain the required information for the Texas HHS Office of the Long-Term Care Ombudsman and the state licensing and certification agency.</li> </ul>
Nursing Facility Emergency Preparedness: Alamo Heights Health and Rehabilitation Center	October 4, 2022	<ul style="list-style-type: none"> <li>Alamo Heights did not maintain a copy of its current emergency preparedness plan at each personnel supervisor workstation as required.</li> </ul>

Inspection	Report Issue Date	Key Findings
Nursing Facility Emergency Preparedness: Arden Place of Houston	October 10, 2022	<ul style="list-style-type: none"> <li>• Arden Place did not have a documented risk assessment.</li> <li>• Arden Place did not consistently maintain documentation of exercises to test its emergency preparedness plan as required.</li> <li>• Arden Place did not always document required contact information for the HHS Office of the Long-Term Care Ombudsman in its communication plan.</li> </ul>
Nursing Facility Staffing Hours Verification: Liberty Health Care Center	October 10, 2022	<ul style="list-style-type: none"> <li>• Liberty Health did not deduct the allotted time for meal breaks as required by CMS.</li> <li>• Liberty Health did not accurately report all direct care licensed nursing hours worked by contract staff to CMS.</li> </ul>
Nursing Facility Emergency Preparedness: Southeast Nursing & Rehabilitation Center	October 10, 2022	<ul style="list-style-type: none"> <li>• Southeast Nursing did not consistently document initial emergency preparedness plan training completions within the required time frame.</li> <li>• Southeast Nursing did not consistently document annual training on its emergency preparedness plan as required.</li> <li>• Southeast Nursing did not maintain a copy of its current emergency preparedness plan at each personnel supervisor workstation as required.</li> <li>• Southeast Nursing did not document the required contact information for the HHS Office of the Long-Term Care Ombudsman in its communication plan.</li> </ul>
Nursing Facility Emergency Preparedness: Paradigm at Woodwind Lakes	October 12, 2022	<ul style="list-style-type: none"> <li>• Paradigm did not consistently document initial emergency preparedness plan training completions within the required time frame.</li> <li>• Paradigm did not consistently maintain documentation of exercises to test its emergency preparedness plan as required.</li> <li>• Paradigm could not confirm when its emergency preparedness training and testing program was reviewed and updated.</li> </ul>
Ambulance Claims Oversight: Molina Healthcare of Texas, Inc	June 1, 2023	<p>Molina's claims system did not have controls to consistently ensure compliance with certain requirements. As a result, Molina:</p> <ul style="list-style-type: none"> <li>• Paid ten nonemergency transport claims without required prior authorizations.</li> <li>• Molina paid six emergency transport claims without the required elements.</li> </ul>

Inspection	Report Issue Date	Key Findings
Mental Health Private Psychiatric Bed Funds: PermiaCare	June 16, 2023	<ul style="list-style-type: none"> <li>• PermiaCare made payments for private psychiatric hospitalizations that were inaccurate.</li> <li>• PermiaCare did not consistently approve continued stay authorizations for private psychiatric hospitalizations as required.</li> </ul>
Ambulance Claims Oversight: Driscoll Health Plan	August 29, 2023	<ul style="list-style-type: none"> <li>• Driscoll's claim processing controls did not have sufficient edits in place to deny all non-medically necessary claims as required.</li> <li>• Consequently, Driscoll paid for non-medically necessary ambulance claims.</li> </ul>
Ambulance Claims Oversight: Community First Health Plan	August 30, 2023	<ul style="list-style-type: none"> <li>• Community First's claims processing staff did not consistently deny the claims, as required.</li> <li>• Community First paid Texas Medicaid funds for non-medically necessary ambulance transport claims.</li> </ul>