



ANNUAL AUDIT AND INSPECTIONS PLAN

Fiscal Year 2025



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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.¹

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.²
- 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.³
- 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).⁴ Section 531.102(s) also establishes the OIG's authority to utilize a peer-reviewed sampling and extrapolation process when auditing provider records.⁵
- In 2023 the 88th 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.

¹ Tex. Gov. Code § 531.102(a) (Sept. 1, 2017).

² Tex. Gov. Code § 531.102(h)(4) (Sept. 1, 2015).

³ Tex. Gov. Code § 531.1025(a) (Sept. 1, 2015).

⁴ Tex. Gov. Code § 531.113(d-1) (Sept. 1, 2015).

⁵ 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
- Public health policy and practice
- 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) Texas 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
- 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.⁶

⁶ 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, 2024.

Limited Scope Audits

Preliminary Objective

To determine compliance with selected rules, statutes, and requirements.

MCO Financial Statistical Report

Preliminary Objective

To determine if the selected MCO's (a) reported expenses on its financial statistical reports were submitted to HHSC in accordance with laws and contractual requirements and (b) related internal controls over the preparation of its financial statistical reports were designed and operating effectively.

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.

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.

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, 2024.

MCO Case-By-Case Reporting

Preliminary Objective

To determine if 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.

FISCAL YEAR 2025 AUDIT PLAN

The HHS System has more than 38,000 employees responsible for managing approximately \$52.7 billion each year,⁷ and DFPS has approximately 12,000 employees responsible for managing approximately \$5.0 billion each year.⁸ 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.

⁷ \$52.7 billion represents the sum of the state fiscal year 2025 appropriations reported in House Bill 1, General Appropriations Act for 2024–25 Biennium (May 2023) 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, 2024.

⁸ \$2.4 billion represents the sum of the fiscal year 2024 appropriations reported in House Bill 1, General Appropriations Act for 2024–25 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.

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.

Maximum Allowable Cost (MAC) Appeals Process

Preliminary Objective

To determine whether selected MCOs (a) complied with contractual requirements for MAC pricing sources and (b) addressed and reported on MAC pricing inquiries from network pharmacies in accordance with statutory and contractual requirements.

MCO Financial Reporting

Preliminary Objective

To determine if the selected MCO's (a) reported expenses on its financial statistical reports were submitted to HHSC in accordance with laws and contractual requirements and (b) related internal controls over the preparation of its financial statistical reports were designed and operating effectively.

MCO Prior Authorizations

Preliminary Objective

To determine whether selected MCOs processed prior authorization requests in accordance with certain contractual requirements.

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.

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.

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.

Provider Audits

Behavioral Health

Preliminary Objective

To determine whether the selected behavioral health provider had processes and controls in place to ensure it delivered services in accordance with applicable state laws, rules, and guidelines.

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.

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.

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

Preliminary Objective

To determine whether selected LMHAs and LBHAs complied with selected standards, rules, and contractual requirements in accordance with S.B. 26 requirements.

Long-Term Care Improper Discharge

Preliminary Objective

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

Pharmacy

Preliminary Objective

To determine whether documentation to support the authorization and delivery of prescriptions associated with Texas Medicaid claims submitted by the selected provider were completed in accordance with applicable state laws, rules, and guidelines.

Prescribed Pediatric Extended Care Centers (PPECCs)

Preliminary Objective

To determine whether the selected PPECC provided services in accordance with selected rules, statutes, and requirements.

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.

Reporting of Provider Refunds, Overpayments, and Recoveries

Preliminary Objective

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

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.

Information Technology (LMHA or LIDDA Application Controls)

Preliminary Objective

To determine whether (a) confidential HHS system information in the custody of the selected LMHA or Local Intellectual and Developmental Disability Authorities (LIDDA) was protected and (b) plans were developed and tested and the LMHA or LIDDA 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 2025 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.

Multiple Medicaid IDs

Preliminary Objective

To determine whether HHS had processes and controls in place to identify and prevent creation of multiple Texas Medicaid ID numbers for members.

Nursing Facility Transfers to Emergency Rooms

Preliminary Objective

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

Radioactive Materials Licensing

Preliminary Objective

To determine whether selected providers complied with certain requirements for operating, safety, and emergency procedures.

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 2024 AUDIT AND INSPECTIONS REPORTS ISSUED

The OIG issued the following audit reports between September 1, 2023, and August 31, 2024:

Audit	Report Issue Date	Key Findings
Managed Care Pharmacy Encounters Paid to Bemaj Pharmacy, Inc.: A Managed Care Network Provider Contracted Under Amerigroup Texas, Inc., Amerigroup Insurance Company, and Superior HealthPlan, Inc.	September 1, 2023	<ul style="list-style-type: none"> • Bemaj Pharmacy (Bemaj) accurately dispensed prescriptions. • Bemaj did not always retain support for submitted claims. • Bemaj did not always comply with requirements for opioid and Schedule II prescriptions. • Bemaj did not always comply with written prescription requirements.
Baylor Scott & White Health: A Texas Medicaid Provider	November 29, 2023	<ul style="list-style-type: none"> • Baylor Scott & White Health (BSW) billed for services not provided. • BSW did not always bill the correct Current Procedural Technology (CPT) codes for psychotherapy services. • BSW did not always notify patients about its privacy practices.
Electroencephalogram (EEG) Services in Texas Medicaid: Cook Children's Medical Center	February 14, 2024	<ul style="list-style-type: none"> • OIG Audit did not identify any issues or opportunities for improvement.
Follow-Up Assessment on Previously Issued Audit Recommendations: Co-Treatment Therapy Billing at Rebound Sports and Physical Therapy	February 29, 2024	<ul style="list-style-type: none"> • Rebound Sports and Physical Therapy fully implemented all reported audit recommendations. As a result, OIG Audit did not reissue any recommendations from the previous.
Electroencephalogram (EEG) Services in Texas Medicaid: Memorial Hermann Health System	February 29, 2024	<ul style="list-style-type: none"> • Memorial Hermann Health System did not always include required diagnosis codes on its claims.
RGV Kidz Place: A Prescribed Pediatric Extended Care Center in Edinburg, Texas	March 14, 2024	<ul style="list-style-type: none"> • RGV Kidz Place did not always meet required staffing ratios. • RGV Kidz Place did not coordinate with therapy providers nor document services on the plan of care. • RGV Kidz Place did not perform some required employment checks. • RGV Kidz Place submitted claims in error. • RGV Kidz Place did Not comply with some life and safety requirements. • RGV Kidz Place did not follow some requirements for transporting patients.

Audit	Report Issue Date	Key Findings
Follow-Up Assessment on Previously Issued Audit Recommendations: Security Controls Over Confidential HHS Information at Scott and White Health Plan	May 13, 2024	<ul style="list-style-type: none"> • Scott and White Health Plan fully implemented all reported audit recommendations. As a result, OIG Audit did not reissue any recommendations from the previous.
Follow-Up Assessment on Previously Issued Audit Recommendations: Fee-for-Service Claims Submitted by Maverick Medical Supply	May 13, 2024	<ul style="list-style-type: none"> • Maverick Medical Supply fully implemented all reported audit recommendations. As a result, OIG Audit did not reissue any recommendations from the previous.
Follow-Up Assessment on Previously Issued Audit Recommendations: Homeward Bound, Inc.—A Substance Use Disorder Treatment Provider	June 5, 2024	<ul style="list-style-type: none"> • Homeward Bound, Inc. (Homeward Bound) did not provide some required counseling services. • Homeward Bound did not perform some post-discharge activities.
Mountain View Health and Rehabilitation: Long-Term Care Facility Resident Discharges	July 16, 2024	<ul style="list-style-type: none"> • Mountain View Health and Rehabilitation (Mountain View) did not provide appeal and advocacy information to discharging residents. • Mountain View could not always support the reason for discharging residents. • The basis for discharging residents was not always documented by a physician.
Regulation of Texas Child Day Care Centers and Homes	July 17, 2024	<ul style="list-style-type: none"> • Child Care Regulation processed child day care operation permit renewals in accordance with tested requirements. • Child Care Regulation did not always follow up on cited facility inspection deficiencies timely or completely.
Security Controls Over Confidential HHS Information: Dell Children’s Health Plan	July 19, 2024	<ul style="list-style-type: none"> • Dell Children’s Health Plan (Dell Children’s) did not timely disable user accounts. • Dell Children’s did not appropriately configure account authentication control settings. • Dell Children’s did not verify contractors completed security awareness training as required.
Cook Children’s Health Plan’s Financial Statistical Reports	July 23, 2024	<ul style="list-style-type: none"> • Cook Children’s Health Plan (CCHP) did not sufficiently establish fair market value for some affiliate expenses. • CCHP incorrectly reported expenses on its financial statistical reports.
Pharmacy Benefit Manager: Navitus Health Solutions	August 7, 2024	<ul style="list-style-type: none"> • Navitus reported payments to its subsidiary pharmacy inaccurately. • Navitus’s agreements with MCOs include an unallowable pricing model.
Allergy Immunotherapy Services in Texas Medicaid: Quest Diagnostics	August 7, 2024	<ul style="list-style-type: none"> • Quest Diagnostics did not obtain required prior authorizations.

Audit	Report Issue Date	Key Findings
Allergy Immunotherapy Services in Texas Medicaid: Calvary Medical Clinic	August 16, 2024	<ul style="list-style-type: none"> • Calvary medical clinic did not consistently comply with Texas Medicaid Provider Procedures Manual (TMPPM) guidelines. • Allergy Immunotherapy Shot Administration Observation
Follow-Up Assessment on Previously Issued Audit Recommendations: Cenikor Foundation: Region 7	August 22, 2024	<ul style="list-style-type: none"> • Cenikor did not consistently provide evidence that it delivered required monitoring and counseling services. • Cenikor did not provide evidence to support that it consistently met program and contractual requirements. • Cenikor did not consistently admit clients into the proper service type. • Cenikor did not always ensure direct care and clinical staff met qualification, training, and education, and supervision requirements.
Managed Care Pharmacy: Meadowbrook Pharmacy	August 23, 2024	<ul style="list-style-type: none"> • Meadowbrook met dispensing requirements with six exceptions. • Meadowbrook followed pharmacy claims submission requirements with two exceptions. • Meadowbrook complied with labeling requirements with one exception. • Meadowbrook did not retain support for six submitted claims.
Local Mental Health Authority: My Health My Resources Concho Valley	August 27, 2024	<ul style="list-style-type: none"> • Concho Valley complied with certain mental health assessment requirements. • Concho Valley did not comply with some financial assessment requirements. • Concho Valley did not comply with some recovery plan requirements. • Concho Valley did not follow some level of care deviation requirements. • Concho Valley had support for determination dates with two exceptions.
Managed Care Pharmacy: Omnicare Pharmacy	August 28, 2024	<ul style="list-style-type: none"> • Omnicare met dispensing requirements with seven exceptions. • Omnicare complied with labeling requirements with one exception. • Omnicare did not consistently follow pharmacy claims submission requirements.

Audit	Report Issue Date	Key Findings
Local Mental Health Authority: Betty Hardwick Center	August 28, 2024	<ul style="list-style-type: none"> • Betty Hardwick Center complied with certain mental health assessment requirements. • Betty Hardwick Center did not comply with some financial assessment requirements. • Betty Hardwick Center correctly developed recovery plans with some exceptions. • Betty Hardwick Center did not follow some level of care deviation requirements. • Betty Hardwick Center did not follow some Inpatient Care Waitlist determination requirements.
Local Mental Health Authority: Texana Center	August 28, 2024	<ul style="list-style-type: none"> • Texana Center complied with certain mental health assessment requirements. • Texana Center did not comply with some financial assessment requirements. • Texana Center did not comply with some recovery plan requirements. • Texana Center followed level of care deviation requirements with one exception. • Texana Center did not have support for waitlist determination dates.
Local Mental Health Authority: Bluebonnet Trails Community Services	August 29, 2024	<ul style="list-style-type: none"> • Bluebonnet Trails did not conduct some mental health assessments timely. • Bluebonnet Trails did not comply with some financial assessment requirements. • Bluebonnet Trails did not comply with some recovery plan requirements. • Bluebonnet Trails did not follow some level of care deviation requirements. • Bluebonnet Trails did not follow some processes for private psychiatric hospitalizations.

The OIG Audit and Inspections Division contracted with external audit services entities that completed audits of the following providers between September 1, 2023, and August 31, 2024:

Audit	Report Issue Date
Ortiz Pharmacy	June 14, 2024
Amazon Pharmacy #001	July 12, 2024
Crystal City Pharmacy	July 16, 2024
Pharmacy Alternatives	July 31, 2024
Alaniz Counseling and Behavioral	August 8, 2024
Nueva Vida Behavioral Health Associates	August 8, 2024
Pediatric Home Service	August 15, 2024
Comfort and Care Medical Supplies	August 15, 2024
ReCept Pharmacy #31	August 20, 2024
National Seating & Mobility Inc.	August 29, 2024

The OIG issued the following inspection reports between September 1, 2023, and August 31, 2024.

Inspection	Report Issue Date	Key Findings
Managed Care Claims Submitted by Byram Healthcare Centers	October 6, 2023	<ul style="list-style-type: none"> Byram Healthcare Center’s claims records did not consistently contain all information supporting the supplies ordered.
Managed Care Claims Submitted by Medical Plus Supplies	October 10, 2023	<ul style="list-style-type: none"> OIG Inspections did not identify any issues or opportunities for improvement.
Managed Care Claims Submitted by Respiratory & Medical Homecare Unlimited	October 31, 2023	<ul style="list-style-type: none"> OIG Inspections did not identify any issues or opportunities for improvement.
Ambulance Claims Oversight: Non-Medically Necessary Claims	January 9, 2024	<ul style="list-style-type: none"> OIG Inspections determined the encountered data showed MCOs had ambulance encounters with a paid status and a “GY” modifier, indicating no medical necessity.
Follow-Up Assessment on Previously Issued Inspections Recommendation: Nursing Facility Staffing Hours Verification–Mira Vista Court	January 12, 2024	<ul style="list-style-type: none"> OIG Inspections determined that Mira Vista Court fully implemented the recommendation. As a result, OIG had no additional recommendations.
Mental Health Private Psychiatric Bed Funds: Tropical Texas Behavioral Health	February 15, 2024	<ul style="list-style-type: none"> Tropical Texas Behavioral Health (Tropical) paid for continued hospital stays without evidence of requests or advance approvals. Tropical paid for invoices without required documentation.
Follow-Up Assessment on Previously Issued Inspections Recommendations: Nursing Facility Staffing Hours Verification–Liberty Health Care Center	April 5, 2024	<ul style="list-style-type: none"> Liberty Health Care Center did not implement the recommendations successfully. As a result, OIG Inspections reissued recommendations from the October 10, 2022, inspection report.
Case-by-Case Services: Community Health Choice	July 11, 2024	<ul style="list-style-type: none"> Community Health Choice Texas, Inc. (Community) did not accurately report non-covered services as case-by-case services. Community did not maintain required documentation for case-by-case services.
Case-by-Case Services: Community First Health Plans	August 6, 2024	<ul style="list-style-type: none"> Community First did not accurately report non-covered services as case-by-case services. Community- First did not maintain required documentation for case-by-case services.