

Consolidated Annual Report Required by Senate Bill 30, 75th Legislature

Section 22.0251, Texas Human Resources Code: Timely Determination of Overpayments

Statutory Provision

The statute requires the agency to determine and record the time taken by the agency to establish an overpayment claim in the Supplemental Nutrition Assistance Program or the program of financial assistance, set goals for reducing that time, and adopt a schedule to meet those goals. The statute also requires the agency to submit an annual report to the Governor and Legislative Budget Board detailing the progress in reaching these goals.

Background

Research has identified the timely determination of overpayments as one of the keys to the collection of benefits granted in error. When the agency receives a referral regarding a potential overpayment of benefits, agency personnel must analyze the case to verify whether or not an overpayment occurred and decide whether or not the case involves intent to commit fraud. If probable cause exists that a felony-grade violation has occurred, or when other special circumstances exist for lower-grade offenses, the agency may refer the case to the appropriate local district attorney's office. If the agency does not refer the matter for criminal prosecution, it instead determines the amount of over-issuance and informs the recipient of the obligation to repay and the right to due process under the law.

Accomplishments

For purposes of analysis and decision-making, the agency adopted the federal requirement of 180 days from the date of referral as a measure of timeliness. The 180-day standard is incorporated into the performance development plans of the personnel that determine the amount of overpayments.

From September 1, 2012, through August 31, 2013, the General Investigations (GI) Section of the Office of Inspector General (OIG), which processes both fraud and non-fraud recipient overpayment claims for the agency, adopted a goal of 93 percent for timely case completion. During this period, the agency completed 24,969 investigations, of which 23,426, or 93.8 percent, were completed within 180 days.

A significant factor that affects overall timeliness is the large number of referrals that must be investigated. Often, many of these cases are for dollar amounts well below the cost to complete an investigation. As noted in an earlier report, during fiscal year 2012, GI submitted a request to the United States Department of Agriculture (USDA) seeking approval to increase the monetary threshold required to establish claims. USDA approved the request and GI determined the modification has had a significant positive effect both in meeting deadlines and in focusing resources on establishing higher dollar claims. However, USDA required Texas to change the methodology for calculating timeliness. The change requires GI to begin calculating timeliness from the date the agency receives the referral rather than from the time the overpayment is substantiated. The change was implemented September 1, 2012, and has the effect of reducing

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the flexibility the agency has in calculating timeliness, thus making it more difficult to meet timeliness requirements.

As part of an overall review of resource allocation, 47 GI positions were reallocated to the Medicaid Provider Integrity Section of the Investigations Division of OIG in February 2012. This change increases overall state recoveries by providing additional staff to review referrals that result in the higher dollar claims associated with provider fraud. This creates additional difficulties for GI in meeting timeliness requirements. Through the implementation of the USDA approved changes, the GI Section expects to continue its successful efforts to maintain timeliness more efficiently with a reduced staff level.

General Investigations Timeliness			
Time frame	Investigations Completed	Investigations Completed within 180 Days	Percent Timely
09/2009–02/2010	16,118	14,675	91.05%
03/2010–08/2010	20,130	18,461	91.71%
09/2010–02/2011	22,281	20,612	92.51%
03/2011–08/2011	23,425	21,555	92.02%
09/2011–02/2012	24,726	23,275	94.13%
03/2012–08/2012	15,222	15,126	99.37%
09/2012–02/2013	11,936	11,223	94.03%
03/2013 - 08/2013	13,033	12,203	93.63%
TOTAL	146,871	137,130	93.37%

Section 22.0252, Texas Human Resources Code: Telephone Collection Program

Statutory Provision

This statute requires the agency to make telephone calls to attempt to collect overpayments in the Supplemental Nutrition Assistance Program (SNAP) and Temporary Assistance for Needy Families (TANF) programs. The 76th Legislature adopted House Bill 875, which requires the agency to use an automated system to monitor the results of the telephone collections program and provides guidelines for operating that system. The statute also requires the agency to submit an annual report to the Governor and Legislative Budget Board on the operation and success of the telephone collection program.

Background

The telephone collections program is one of several collection efforts federal and state law require. The Treasury Offset Program (TOP) and recovery through the reduction of future benefits also are part of those collection efforts. The agency designated modules in the program known as “call campaigns” to allow for evaluation, modification, and avoidance of conflicts with other collection efforts. The agency designed and implemented the first call campaign in fiscal year 1998. The telephone collections campaign is coordinated with TOP, which is the most effective collections tool available to the agency.

Accomplishments

From September 1, 2012, through August 31, 2013, the agency collected \$1,266,348.85 from clients identified for telephone call-out campaigns. During the campaign period, the agency attempted to contact 1,416 clients representing \$1,134,014.60 in SNAP and TANF delinquencies. Of the attempted contacts, 45 repayment agreements (positive inquiry) totaling \$35,696.38 were obtained. Additionally, from September 1, 2012, through August 31, 2013, the telephone collection program received 41,617 calls from clients. The agency prioritizes calls received from clients. Due to significant staffing reductions and increases in calls received, call-out campaigns have been exceedingly difficult to perform.

Telephonic Collections “Call-out” Program					
Time frame	Collections	Repayment Agreements Negotiated	Delinquent Amount Associated with Payment Plans	Attempted Contacts	Delinquent Amount Associated with Attempted Contacts
09/2009–02/2010	\$557,216.58	63	\$39,472.00	265	\$220,639.00
03/2010–08/2010	\$452,009.86	0	\$0.00	0	\$0.00
09/2010–02/2011	\$388,357.64	0	\$0.00	1	\$305.00
03/2011–08/2011	\$373,309.15	0	\$0.00	7	\$1,104.00
09/2011–02/2012	\$221,971.68	52	\$33,153.00	1,009	\$472,148.21
03/2012–08/2012	\$152,694.05	67	\$10,058.37	237	\$148,847.58
09/2012–02/2013	\$619,181.80	18	\$7,157.00	1,004	\$663,992.65
03/2013 - 08/2013	\$647,167.05	27	\$28,539.38	412	\$470,021.96
TOTAL	\$3,411,907.81	227	\$118,379.75	2,935	\$1,977,058.40

Section 22.0292, Texas Human Resources Code: Information Matching System Relating to Immigrants and Foreign Visitors

Statutory Provision

This statute requires the agency to conduct matches for immigrants and foreign visitors with the U.S. Department of State and the U.S. Department of Justice to prevent and detect fraud in the Supplemental Nutrition Assistance Program (SNAP) and Temporary Assistance for Needy Families (TANF) programs. The statute also requires the agency to submit a semi-annual report to the Governor and Legislative Budget Board on the operation and success of the information matching system for immigrants and foreign visitors.

Background

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 required the consular offices of the U.S. Department of State to develop a system designed to determine whether applicants for immigration to the United States were likely to become public charges.

Accomplishments

Subsequent to passage of Senate Bill 30, the agency initiated discussions with consular offices to develop a computer match system that would assist in fulfilling statutory mandates. On December 17, 1997, the U.S. Department of Health and Human Services wrote to the state TANF directors and provided guidance that the Social Security Act prohibits disclosure of information relating to an individual's application for or receipt of benefits to parties not connected to the state plan. On December 29, 1997, the Health Care Financing Administration (now named the Centers for Medicare and Medicaid Services) issued a similar letter raising the same objections to sharing information about Medicaid recipients.

HHSC remains committed to ensuring that benefit eligibility and amounts are accurate and available only to those who are entitled to them by law. Toward that end, the agency utilizes the Systematic Alien Verification for Entitlements (SAVE) system. SAVE provides information from U.S. Citizenship and Immigration Services and assists the agency in determining whether a non-citizen is qualified for benefits. The system also prevents use of fraudulent immigration documents by providing automated verification.

**Section 531.108, Texas Government Code:
Data Matching Efforts From HHSC With Information From Neighboring
States and Texas Department of Criminal Justice**

Statutory Provision

This statute requires the agency to submit a semi-annual report to the Governor and the Legislative Budget Board on the computerized matching of agency information from neighboring states and information from the Texas Department of Criminal Justice (TDCJ).

Background

Under this provision, the Commission is charged with identifying individuals who are already receiving benefits in another state. The Commission is also required to prevent and detect fraud committed when an incarcerated individual illegally receives public assistance benefits administered by the Commission.

Accomplishments

HHSC started participating in the Public Assistance Reporting Information System (PARIS) interstate send file during August 2010. The PARIS interstate match determines an individual's multiple state participation in the Supplemental Nutrition Assistance Program, Temporary Assistance for Needy Families, and Medicaid programs. PARIS is only responsible for matching Social Security numbers of active clients (for a predetermined "Match Month" within the quarter) sent by participating State Public Assistance Agencies (SPAA). Once matched, PARIS sends the matched records back to the SPAA for follow-up. Although participation is mandatory for Medicaid, the data provided to the program is at the discretion of each SPAA. OIG has determined that not all states participate for each match quarter or for all programs. The Texas Legislature requires HHSC to match with border states to identify duplicate benefits; the PARIS match assists in meeting that requirement.

From September 1, 2012, through August 31, 2013, the agency identified \$423,595 in benefits simultaneously received by individuals in both Texas and another state. During this same time period, the agency identified \$830,681 in benefits received by individuals who were ineligible because of incarceration.

PARIS Interstate Match					
Timeframe	Match Count	Referrals Created	Investigations Created	Claims Created	Claim Amounts
09/2009–02/2010	*	*	*	*	*
03/2010–08/2010	3,542	90	35	37	\$45,161
09/2010–02/2011	28,756	452	182	137	\$164,888
03/2011–08/2011	27,074	341	151	152	\$163,158
09/2011–02/2012	30,368	217	112	93	\$82,813
03/2012–08/2012	25,634	243	125	131	\$135,203
09/2012–02/2013	28,322	372	86	117	\$128,421
03/2013 - 08/2013	30,154	443	197	236	\$295,174
TOTAL	173,850	2,158	888	903	\$1,014,818

*PARIS Interstate Matches were implemented effective August 2010

TDCJ Incarceration Match				
Timeframe	Referrals Created	Investigations Created	Claims Created	Claim Amounts
09/2009–02/2010	445	374	375	\$234,142
03/2010–08/2010	679	579	560	\$364,729
09/2010–02/2011	422	360	357	\$251,007
03/2011–08/2011	1,010	848	832	\$547,003
09/2011–02/2012	621	493	476	\$302,980
03/2012–08/2012	717	546	534	\$533,272
09/2012–02/2013	552	457	463	\$458,241
03/2013 - 08/2013	428	374	405	\$372,440
TOTAL	4,874	4,031	4,002	\$3,063,814