



Parkland Community Health Plan Special Investigative Unit

A Texas Medicaid Managed Care Organization

Results in Brief

Why OIG Conducted This Audit

The Texas Health and Human Services (HHS) Office of Inspector General (OIG) conducts regular audits of selected managed care organizations' (MCOs') Special Investigative Unit (SIU) activities. This audit is the next audit in that series and was conducted for an MCO SIU that had not been previously reviewed.

In 2022, Parkland's total enrolled member months was 2,647,562 for Medicaid and 91,400 for the Children's Health Insurance Program (CHIP). It received total capitation payments of \$876 million for Medicaid and \$20 million for CHIP.

Summary of Review

The audit objective was to determine whether Parkland's SIU complied with certain state and contractual requirements related to (a) preventing, detecting, and investigating fraud, waste, and abuse and (b) reporting reliable information on SIU activities, results, and recoveries to the OIG.

The audit scope covered SIU activities in state fiscal year 2022.

Background

HHSC requires MCOs to have an SIU to investigate potential fraud, waste, or abuse by members and health care service providers.

Conclusion

The Parkland Community Health Plan (Parkland) Special Investigative Unit (SIU) did not consistently comply with certain state and contractual requirements related to (a) preventing, detecting, and investigating fraud, waste, and abuse and (b) reporting reliable information on SIU activities, results, and recoveries to the Texas Health and Human Services (HHS) Office of Inspector General (OIG).

Key Results

Parkland met certain requirements related to staffing, performing recovery efforts when fraud or abuse was identified, and remitting half the money recovered to the OIG.

However:

- Parkland's preliminary investigations did not always contain required elements or meet required timelines. Of the 12 preliminary provider investigations tested, 10 (83 percent) did not contain all the required elements. All 12 were completed later than the 15-working day requirement.
- All eight extensive investigations tested included at least one error with timelines, sample size requirements, required elements, or some combination of these things.
- Parkland did not refer the two tested extensive investigations that identified possible fraud, waste, or abuse to the OIG within required timelines. Parkland made the referrals, on average, 88 working days after being notified.
- Parkland did not provide two 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.

Management Response

OIG Audit presented preliminary audit results, issues, and recommendations to Parkland in a draft report dated July 21, 2023. Parkland agreed with the audit recommendations and indicated corrective actions would be implemented by October 2023.

Parkland's management responses are included in the report following the recommendations.

Recommendations

Parkland should:

- Strengthen processes and controls to include all required elements of preliminary investigations.
- Develop and implement processes and controls to complete preliminary investigations within required timeframes.
- Develop and implement processes and controls to complete extensive investigations within required timeframes and document dates of completion.
- Select samples that meet minimum size requirements.
- Strengthen processes and controls to include all required elements of extensive investigations.
- Complete timely notification and referrals of possible acts of fraud, waste, or abuse to the OIG as required.
- Strengthen processes and controls to provide employees directly involved with Texas Medicaid or CHIP with fraud, waste, and abuse training within 90 days of employment.

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