



Oversight of the HHSC Home and Community-Based Services (HCS) Program

HHS Regulatory Services Division
and HHS Contract Administration and Provider Monitoring

Results in Brief

Why OIG Conducted This Audit

The Texas Health and Human Services (HHS) Office of Inspector General Audit and Inspections Division (OIG Audit) conducted an audit of the Texas Health and Human Services Commission (HHSC) Home and Community-Based Services (HCS) program oversight by the HHS Regulatory Services Division and HHS Medicaid and CHIP Services (MCS) Contract Administration and Provider Monitoring (CAPM).

During state fiscal year 2021, OIG Audit conducted audits of three HCS providers. Through unannounced site visits to 25 three- and four- person residential homes, these audits identified inconsistent compliance with HHSC's health and safety requirements, which indicated risks to Medicaid beneficiaries. OIG Audit conducted this audit of the oversight of HCS program providers to assess whether the residential review process effectively (a) identified and communicated conditions and needs for correction and (b) followed up with providers to ensure corrections were made.

During the period from September 1, 2019, through December 31, 2021, the HCS program contracted with 663 providers, served an average of 8,603 Medicaid beneficiaries in three- and four-person homes, and reimbursed \$2.6 billion in claims.

Overall Conclusion

Texas Health and Human Services (HHS) Long Term Care Regulation (LTCR), part of the HHS Regulatory Services Division, (a) accurately recorded the certification and review status of three- and four-person residential homes (homes) and (b) initiated a pilot program within its quality assurance review process to improve the quality and consistency of residential reviews. However, LTCR did not consistently (a) conduct residential reviews timely, (b) calculate residential review scores correctly, (c) communicate results to Home and Community-Based Services (HCS) program providers, (d) document follow-up, or (e) ensure corrective action was taken to resolve identified issues.

In addition, HHS Medicaid and CHIP Services (MCS) Contract Administration and Provider Monitoring (CAPM) should continue to use the revised template for new providers and update all existing HCS program provider contracts using the revised contract template for community-based services.

Key Results

LTCR did not ensure that all homes received an on-site review at least once every 12 months as required by Texas Human Resources Code. When LTCR performed subsequent residential reviews of homes, it did not use previous residential review results to validate whether failed checklist requirements, which did not require evidence of correction at the time, were corrected. LTCR also did not always correctly classify or designate some checklist requirements.

Additionally, LTCR's residential review scores did not always match (a) residential review scores in the residential review database, (b) the residential review scores communicated to HCS program providers, or (c) the Texas HHS Office of Inspector General (OIG) Audit and Inspection Division's (OIG Audit's) recalculated residential review scores. LTCR also misclassified or did not evaluate some Texas Health and Human Services (HHSC) Waiver Survey and Certification Residential Checklist (HHSC Residential Checklist) requirements and did not inform HCS program providers of residential review results as required.

Further, LTCR did not always (a) provide evidence that it followed up when HCS program providers did not submit evidence of correction, (b) document all evidence of correction submission dates, reviews, and approvals, (c) submit photographs to document failed checklist requirements when required, and (d) ensure HCS program providers corrected previously failed checklist requirements that required evidence of correction.

Summary of Review

The objective of the audit was to determine whether the HCS program's (a) residential reviews aligned with certification requirements and enforcement remedies, (b) residential reviewers used the HHSC Waiver Survey and Certification Residential Checklist correctly and consistently, and (c) residential review results were maintained and analyzed.

The audit scope covered three- and four-person residential homes for the period from September 1, 2019, through December 31, 2021.

Background

The HCS program enables Medicaid beneficiaries with intellectual and developmental disabilities to live in community-based settings and avoid institutionalization in intermediate care facilities. These community-based settings include homes managed by private HCS program providers. HHSC contracts with private HCS program providers to coordinate and monitor the delivery of individualized services and supports to Medicaid beneficiaries. The HCS program is available to Texans of any age not living in an institutional setting who meet HHSC's eligibility criteria.

Management Response

The HHS Regulatory Services Division and CAPM agreed with the audit recommendations and indicated corrective actions have been completed or would be implemented by December 2024.

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Also, LTCR did not always efficiently refer cases to HHS Regulatory Enforcement (Regulatory Enforcement), part of the HHS Regulatory Services Division, to timely apply enforcement remedies. Finally, HCS program providers who contracted with HHSC prior to November 2020 have outdated contracts.

Recommendations

OIG Audit offered recommendations to LTCR, Regulatory Enforcement, and CAPM, which, if implemented will help ensure the health and safety of Medicaid beneficiaries and compliance with requirements. The recommendations include:

- LTCR should review all homes within required time frames.
- LTCR should:
 - (a) Update the Residential Reviewer Manual to be consistent with the HHSC Residential Checklist available to HCS program providers and the public and (b) update the HHSC Residential Checklist to clearly distinguish which classifications are permitted for checklist requirements.
 - Ensure (a) all elements of the HHSC Residential Checklist are fully and correctly completed, (b) residential review scores are correctly reflected in the residential review database, and (c) residential review reports accurately reflect residential review scores. LTCR should also consistently communicate residential review results to HCS program providers in writing.
- LTCR should ensure the Residential Reviewer Manual (a) provides reviewers sufficient and clear guidance for when to photograph evidence to support a failed significant risk checklist requirement and (b) requires that residential reviewers access the previous review to ensure any previously identified failed checklist requirements were resolved as the residential review is performed. LTCR should also periodically monitor residential review results for failed checklist requirements occurring across multiple residential reviews.
- LTCR, Regulatory Enforcement, and CAPM should identify opportunities to streamline the enforcement and referral process. This may include (a) clarifying roles and responsibilities between contract-based enforcement actions and regulatory enforcement actions to define each division's authority and responsibility related to HCS program oversight and (b) identifying other opportunities to efficiently address issues with HCS program provider compliance.
- CAPM should:
 - Continue to use the revised contract template for new contracts.
 - Update all existing HCS program provider contracts using the revised contract template for community-based services. At a minimum, these updates should incorporate or reference currently available enforcement actions.