

**Rider 7, Health and Human Services Commission, Senate Bill 1,
77th Legislature, Regular Session**

**First Quarter – Fiscal Year 2002
September 1, 2001 –November, 2001**

OPENED CASES – 09/01/2001 to 11/30/2001

Referral Source	Received
U.S. Attorney's Office	1
Office of the Attorney General's Medicaid Fraud Control Unit (MFCU)	11
US Department of Justice	2
Board of Nurse Examiners	21
Pharmacy Board	3
Texas Health and Human Services Commission (HHSC)/Office of Investigations and Enforcement (OIE)/Medicaid Program Integrity/Self Initiated	7
HHSC-Utilization Review Department	3
Health and Human Services/Office Inspector General	75
National Heritage Insurance Company (NHIC)	1
HMO Blue	1
Surveillance & Utilization Review System (SURS)	3
Texas Commission on Alcohol & Drug Abuse	8
Texas Department of Health	5
Texas Department of Human Services (DHS)	2
Texas Department of Human Services (DHS) Long Term Care	5
Public	7
Recipient	2
Opened Cases in 1st Qtr. 2002	157
Cases Opened and Closed during the 1st Qtr 2002	(54)
Remaining Open Cases in FY Qtr 2001	261
*Remaining Open Cases in FY 2000	*306
*Remaining Open Cases in FY 1999	*311
*Remaining Open Cases in FY1998	*170
*Remaining Open Cases Prior to FY97:	*138
Total cases opened:	1289

* Many of these cases are in Sanction status and will not be closed until the Sanction is completed.

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STATUS OF OPEN CASES

Status Code	Definition of Status Code	Total Number
1	Preliminary Investigation	373
2	Full Scale Investigation	397
Total		770

Referred To:		
R0	Office of the Attorney General's Medicaid Fraud Control Unit (MFCU)	78
R1	Office of the Attorney General's Tort Litigation Division	2
R1	Office of the Attorney General's Elder Law Section	3
R3	State Board of Certified Nurse Aides	1
R5	State Board of Dental Examiners	21
R6	State Board of Licensed Vocational Nurses	1
R7	State Board of Medical Examiners	9
R10	Board of Pharmacy	2
R12	Medicaid Part A & B	5
R19	Department of Protective and Regulatory	1
RD	HHSC - Compliance, Monitoring & Review (CMR)	2
RF	Health Facility Compliance	2
RH	Texas Department of Health Long Term Care	2
RQ	Utilization Review Division	4
RR	NHIC – Claims/Records Review	7
RS	NHIC Education Visit	9
O3	Pending Sanctions	99
S19	Pending Appeals	10
Sanctions Imposed:		
S4	Recoupment	72
S1	Notice Sent	5
S2	Vendor Hold	103
S23	Request for Reinstatement	2
S16	Pending Exclusion	79
Total		519
Total Number of Open Cases for 1st Qtr FY02		1289

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RECOUPMENT DOLLARS – 1st QUARTER FISCAL YEAR 2002

Office of Investigation & Enforcement Area	1st Qtr FY02 Total
Medicaid Program Integrity	\$5,124,723
Civil Monetary Penalties	\$944,801
Utilization Review (DRG-hospitals)	\$5,059,154
TEFRA Claims – Children’s Summary	\$2,985
TEFRA Claims – Psychiatric Summary	\$0
Case Mix Review (nursing homes)	\$2,454,842
Surveillance and Utilization Review Subsystems (SURS)	\$464,089
Compliance Monitoring and Referral (CMR)	\$2,216,641 (CARTS only)
Medicaid Fraud and Abuse Detection System (MFADS) - <i>dollars recovered</i>	\$578,426
TOTAL	\$16,845,661

Note: Total recoupment dollars reflect all active cases within OIE. Investigations refer only to active, full, fraud and abuse investigations.

Recoupments for Fiscal Year 2002:

Office of Investigations and Enforcement Division	1st Quarter FY2002
Third Party Liability and Recovery:	
Recoveries (Provider):	
• Provider Refunds	\$951,031
• Texas Automated Recovery System (TARS)	\$2,646,468
• Recipient Refunds	\$0
• Pharmacy	\$452,183
Recoveries (Recipient):	
• Credit Balance Audit	\$895,316
• Amnesty Letter	\$45
• Tort	\$5,158,216*
TOTAL	\$10,103,259

Note: Above information provided by NHIC

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Medicaid Operating Agencies Cost Avoidance/Program Savings For Medicaid Fraud, Abuse, And Waste –FY2002

Office of Investigations and Enforcement Departments	1st Quarter FY2002
Medicaid Program Integrity *based on total dollars identified *does not include civil monetary penalties	\$9,517,033
Utilization Review (DRG-hospitals)	\$7,088,039
Nursing Home Reviews	\$2,344,549
Surveillance and Utilization Review Subsystems (SURS)	\$285,875
Medicaid Fraud and Abuse Detection System (MFADS)	\$463,531
Compliance Monitoring & Referral	\$2,311,803
TOTAL	\$22,010,830

Note: Cost savings for above chart are estimates based on FY2001 performance that will be adjusted in the 4th quarter based on actual recoveries and error rates in FY2002.

Cost Savings for Fiscal Year 2002:

Office of Investigations and Enforcement Divisions	1st Quarter FY2002
Third Party Liability and Recovery:	
• Cost Avoidance	\$40,782,165
• Other Insurance Credits	\$20,074,253
TOTAL	\$60,856,418

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OTHER STATISTICS – 1st QUARTER FISCAL YEAR 2002

Action	1st Qtr FY02 Total
Medicaid Program Integrity:	
• Cases Opened	157
• Cases Closed	134
• Providers Excluded	81
Utilization Review:	
• Case Mix (Nursing Homes) - Cases Closed	317
• Case Mix (Nursing Homes) - # of reviews	5,781
• Hospitals - Cases Closed	363
• Hospitals - # of Reviews	5,083
Medicaid Fraud & Abuse Detection System:	
• # of cases identified	108
• Dollars identified for recovery **This amount represents claims inappropriately paid based on policy and/or investigations. It does not represent the actual dollars that may be recoverable.	**32,187