

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

**Fourth Quarter – Fiscal Year 2002  
June 1, 2002 –August 31, 2002**

**OPENED CASES – 03/01/2002 to 05/31/2002**

<b>Referral Source</b>	<b>Received</b>
Office of the Attorney General's Medicaid Fraud Control Unit (MFCU)	8
Anonymous	5
Board of Medical Examiners	7
Board of Licensed Vocational Nurse Examiners	75
Board of Nurse Examiners	29
Citizens Commission on Human Rights	1
Health and Human Services/Office Inspector General	15
Health and Human Services/Health Care Finance Administrative	5
Health and Human Services Commission (HHSC)-Research, Analysis & Detection	8
HHSC-Medicaid Program Integrity-Office of Investigations and Enforcement-Self-initiated	7
HHSC-Surveillance, Utilization, Review System	1
Health and Human Services Commission-Utilization Review Division	1
National Heritage Insurance Company (NHIC)	7
Provider	2
Public	19
Recipient	9
State Medicaid Office	1
Texas Department of Health	10
Texas Department of Human Services	17
Texas Department of Human Services-Long Term Care	4
Texas Department of Human Services-Office Inspector General	1
Texas Health STEPS	2
Office of the Attorney General's Medicaid Fraud Control Unit	8
Anonymous	5
Board of Medical Examiners	7
Board of Licensed Vocational Nurse Examiners	75
Board of Nurse Examiners	29
<b>Opened Cases in 4<sup>th</sup> Qtr. 2002</b>	<b>234</b>
<b>Cases Opened and Closed during the 4<sup>th</sup> Qtr 2002</b>	<b>(85)</b>
<b>Remaining Open Cases in 3<sup>rd</sup> Qtr 2002</b>	<b>96</b>
<b>Remaining Open Cases in 2<sup>nd</sup> Qtr 2002</b>	<b>94</b>
<b>Remaining Open Cases in 1<sup>st</sup> Qtr 2002</b>	<b>39</b>
<b>Remaining Open Cases in FY Qtr 2001</b>	<b>219</b>
<b>*Remaining Open Cases in FY 2000</b>	<b>*234</b>
<b>*Remaining Open Cases in FY 1999</b>	<b>*186</b>
<b>*Remaining Open Cases in FY1998</b>	<b>*127</b>
<b>*Remaining Open Cases Prior to FY97:</b>	<b>*93</b>
<b>Total cases opened:</b>	<b>1237</b>

\* 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**

<b>Status Code</b>	<b>Definition of Status Code</b>	<b>Total Number</b>
1	Preliminary Investigation	114
2	Full Scale Investigation	272
<b>Total</b>		<b>386</b>

<b>Referred To:</b>		
R0	Office of the Attorney General’s Medicaid Fraud Control Unit (MFCU)	150
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	28
R6	State Board of Licensed Vocational Nurses	2
R7	State Board of Medical Examiners	19
R8	State Board of Nurse Examiners	1
R10	Board of Pharmacy	1
R12	Medicaid Part A & B	18
R14	Mental Health Mental Retardation (MHMR)	2
R17	Texas Department of Human Services	3
R18	Texas Department of Health PLC	1
R19	Department of Protective and Regulatory	2
R20	Federal Bureau Investigations (FBI)	2
R22	Board of Social Worker Examiners	3
RN	HHSC – Research, Analysis & Detection (MFADS)	1
RE	Health and Human Services Office of Inspector General	8
RF	Health Facility Compliance	3
RH	Texas Department of Health Long Term Care	6
RI	Managed Care	2
RQ	Utilization Review Division	6
RR	NHIC – Claims/Records Review	6
RS	NHIC Education Visit	18
RT	HHS OIG (Recipient Fraud)	1
RX	Third Party Resources	1
RZ	Vendor Drug	1
<b>Sanctions Imposed:</b>		
O3	Pending Sanctions	111
O11	Default of Recovery	13
S19	Pending Appeals	28
S4	Recoupment	89
S1	Notice Sent	27
S2	Vendor Hold	157
S23	Request for Reinstatement	6
S16	Pending Exclusion	131
<b>Total</b>		<b>851</b>
<b>Total Number of Open Cases for 4<sup>th</sup> Qtr FY02</b>		<b>1237</b>

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**RECOUPMENT DOLLARS – 4<sup>th</sup> QUARTER FISCAL YEAR 2002**

**Recoupments for Fiscal Year 2002:**

<b>Office of Investigations and Enforcement Divisions</b>	<b>4<sup>th</sup> Quarter FY2002</b>
Medicaid Program Integrity	\$2,750,126
Civil Monetary Penalties	\$1,005,072
Utilization Review (DRG-hospitals)*	*\$9,743,362
TEFRA Claims – Children’s Summary	\$0
TEFRA Claims – Psychiatric Summary	\$0
Case Mix Review (nursing homes)	\$1,566,031
Surveillance and Utilization Review Subsystems (SURS)	\$182,689
Compliance Monitoring and Referral (CMR)	\$26,763
Medicaid Fraud and Abuse Detection System (MFADS) - <i>dollars recovered</i>	\$6,542,591
<b>TOTAL</b>	<b>\$15,928,634</b>

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

\* Due to problems incurred during the Compass 21 conversion of the DHS Mainframe and UR hospital application, the quarter sample master lists and worksheets were not produced until February 2002. Therefore the regional staff was unable to complete the number of hospital reviews, which are routinely processed during the second and third quarter months. In addition, weekly processing by the DHS-MIS mainframe has encountered several system errors. As a result monthly reports and recoupment for DRG changes have not occurred since March 2002. Therefore, the monthly recoupment dollars for DRG is less than normal for this time period.

**Recoupments for Fiscal Year 2002:**

<b>Office of Investigations and Enforcement Divisions</b>	<b>4<sup>th</sup> Quarter FY2002</b>
<b>Third Party Liability and Recovery:</b>	
<b>Recoveries (Provider):</b>	
• Other Insurance Credits*	\$26,550,000
• Provider Refunds	\$950,744
• Texas Automated Recovery System (TARS)	\$2,124,410
• Recipient Refunds	\$0
• Pharmacy	\$3,399,925
<b>Recoveries (Recipient):</b>	
• Credit Balance Audit	\$2,156,688

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• Amnesty Letter	\$0
• Tort	\$5,216,023
<b>TOTAL</b>	<b>\$40,397,790</b>

\* Other insurance credits are estimated pending the completion of a data repair project.

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**Recoupments for Fiscal Year 2002:**

<b>Office of Investigations and Enforcement Divisions</b>	<b>4<sup>th</sup> Quarter FY2002</b>
<b>Medicaid Audits (cost settlement based on cost reimbursement methodology)*</b>	\$3,691,960*
<b>Vendor Drug:</b>	
• Recoveries	\$1,664,424
• Manufacturer Rebates	\$84,472,982
<b>Customer Services/Provider Resolutions</b>	\$15,183
<b>TOTAL</b>	<b>\$89,844,549</b>

\* Overpayments for Medicaid Audits are reported as net based on Cost Settlements. Managed care payment settlements are excluded from the calculation. Overpayments are calculated based on the difference in total interim payments and cost, less any previous settlements completed during the period.

**Other Statistics for Fiscal Year 2002:**

<b>Action</b>	<b>4<sup>th</sup> Quarter FY2002</b>
<b>Medicaid Program Integrity:</b>	
• Cases Opened	235
• Cases Closed	399
• Providers Excluded	250
<b>Utilization Review:</b>	
• Case Mix (Nursing Homes) - Cases Closed	238
• Case Mix (Nursing Homes) - # of Patient Reviews	4,553
• Hospitals - Cases Closed	*587
• Hospitals - # of Chart Reviews	11,548
<b>Medicaid Fraud &amp; Abuse Detection System:</b>	
• # of cases identified	880
• 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.	**1,380,366

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**Other Statistics for Fiscal Year 2002:**

Action	4 <sup>th</sup> Quarter FY2002
<b>Customer Services/Provider Resolutions</b>	
• Cases closed (appeal/complaint cases)	2,371
• # of Administrative/Agency Hearings (oral appeals-offered instead of informal hearing for HHSC UR cases only)	1

**Other Statistics for Fiscal Year 2002:**

Action	4 <sup>th</sup> Quarter FY2002		
LOCK-IN*	June 02	July 02	Aug 02
• Fee-for-Service (FFS)	552	538	556
• STAR	343	326	312
• STAR+PLUS	22	37	62
<b>TOTAL</b>	<b>917</b>	<b>901</b>	<b>930</b>

*\*LOCK-IN: CFR, Title 43, Volume 3, Section 431.54 (e) requires "Lock-in of recipients who over-utilize Medicaid Services. If a Medicaid agency finds that a recipient has utilized Medicaid services at a frequency or amount that is not medically necessary, as determined in accordance with utilization guidelines established by the State, the agency may restrict that recipient for a reasonable period of time to obtain Medicaid services from designated providers only." The Texas Administrative Code, Title 45, Part I, Chapter 43 outlines the Texas Utilization Control Methods. Fee-for-Service clients can be limited to doctor and/or pharmacy. Managed Care Organization members can be limited to a pharmacy. STAR+PLUS members were added to the Lock-in process on September 1, 2001.*