



SENATE BILL 10, SECTION 531.1112, TECHNOLOGY FOR FRAUD
DETECTION AND DETERRENCE
REPORT

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Submitted by:



Texas Health and Human Services Commission



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Purpose

To update the Governor's Office as required by Senate Bill 10 (S.B.10), Section 6 (a), Subchapter C, Chapter 531, Government Code, 80th Texas Legislature, Regular Session, 2007 adding Section 531.1112.

Background

S.B.10, Section 6 (a), Subchapter C, Chapter 531, Government Code, Section 531.1112 states:

STUDY CONCERNING INCREASED USE OF TECHNOLOGY TO STRENGTHEN FRAUD DETECTION AND DETERRENCE; IMPLEMENTATION. (a) The commission and the commission's office of inspector general shall jointly study the feasibility of increasing the use of technology to strengthen the detection and deterrence of fraud in the state Medicaid program. The study must include the determination of the feasibility of using technology to verify a person's citizenship and eligibility for coverage.

(b) The commission shall implement any methods the commission and the commission's office of inspector general determine are effective at strengthening fraud detection and deterrence.

(b) Not later than December 1, 2008, the Health and Human Services Commission shall submit to the legislature a report detailing the findings of the study required by Section 531.1112, Government Code, as added by this section. The report must include a description of any method described by Subsection (b), Section 531.1112, Government Code, as added by this section, that the commission has implemented or intends to implement.

Objectives

The Health and Human Services Commission (HHSC) - Office of Inspector General (OIG) used several methods to obtain information about available technology for consideration.

1. HHSC-OIG posted RFI# 529-08-0201 from April 9, 2008 until April 30, 2008. The objectives of this request for information were:
 - Identification of qualified vendors, resources, and technology that may be available to HHSC for implementation of Medicaid fraud detection and deterrence that may include verification of a person's citizenship and, therefore, eligibility for coverage; and
 - Receipt of literature, specification sheets, handouts, and any other type of pertinent information that provides specific information relative to the technology available.

Below is the list of vendors that responded:

- CSIDentity Corp.
- Detica Federal Inc.
- InfoZen, Inc.

- Sagem-Morpho, Inc.
- SAS
- Specialty Intelligence Group
- SPSS, Inc.
- Thomson Reuters
- TransUnion
- TRAP Systems, Inc.
- Ultra-Scan
- Bull Services

2. HHSC-OIG also requested information from other states regarding their current solutions and processes to verify citizenship. Below is a table with the responses:

State	Verifying Citizenship	Electronic Matches On-line	Summarized Explanation
Alabama	SDX for SSI exemption; EDB, SBX and SVES for Medicare exemption, and the Alabama Department of Human Resources for foster care exemption. We currently use electronic fax submission to request and obtain a faxed government issued birth certificate from the Department of Public Health.	SDX, BENDEX Medicare EDB (Enrollment Data Base), SVES (State Verification and Enrollment System), FC Exemption	Queries a number of databases including those for Medicare and Medicaid (SDX) recipients and sister agency foster care data. Has a fax process to obtain own state vital statistics birth record. Participates in SVES system.
Louisiana	Electronic access to our state's Vital Records and verifies births that occurred in Louisiana. Process is very effective, especially for births in or after 1984. We have had a long-standing arrangement with Vital Records for these birth record (and death record) inquiries and we pay \$1 per inquiry for access to their system. Have an agreement with Mississippi Medicaid to share birth data. The applicant is responsible for helping us verify citizenship.	Louisiana BVS; Mississippi BVS	Queries vital statistics records for own state as well as a neighboring state by agreement.

State	Verifying Citizenship	Electronic Matches On-line	Summarized Explanation
Massachusetts	Existing Electronic Matches - State Data Exchange (SDX); Social Security Administration (SSA); Future Electronic Matches - Department of Public Health (DPH)/ Registry of Vital Records and Statistics (RVRS)	SDX SSA	Currently only queries Medicaid (SDX) recipient data. Plans include query with own state vital statistics.
South Dakota	Implementing an interface with SD Office of Vital Statistics that allow workers to query the vital stats database to get an electronic match verifying birth within seconds; Automatically running an update interface with SD Vital Statistics on a nightly basis; Automated update of the citizenship field for those whose eligibility is coming though SDX; Participating in the NAPHSIS EVVE project. This project involves a web-based interface that allows SD to query vital statistics from several different states verify birth; Assisting applicants/recipients obtain out of state birth certificates. This assistance includes help completing the out of state requests as well as financial assistance.	South Dakota BVS, SDX, NAPHSIS EVVE	Just started a query with own state vital statistics. Has a Medicaid (SDX) recipient process that auto-updates eligibility system. Participates in SVES system. Also provides personal and financial help to assist in obtaining out of state birth certificates.
Tennessee	Utah can interface with our Vital Stats and we have online verification through SDX/BDX. However, our authentication process and verification of identity requires manual review for cases, which exist outside of the guidelines.	SDX, BDX	Queries own state vital statistics as well as Medicare (BDX) and Medicaid (SDX) recipient data.
West Virginia	West Virginia is using an online verification system, which gives our staff access to WV's Vital Registration birth records. Our Bureau for Child Support Enforcement already had the system in place and our Bureau (for Children and Families) is using a modified version of the system. Child Support can actually order a copy of the birth certificate, but our Workers get a print page, which can be filed in the case record for verification that the person has a WV birth record and it has the name and the birth registration number.	West Virginia BVS	Queries own state vital statistics and obtains paper response to file in case record.

State	Verifying Citizenship	Electronic Matches On-line	Summarized Explanation
Texas	Currently run a match against BVS files. Documentation from clients	Texas BVS, SDX, Border States match with Louisiana, New Mexico, and Oklahoma;	Queries own state vital statistics as well as Medicaid (SDX) recipient data. Otherwise depends on applicant to provide documentation.

3. Researched information found on the final rule report from the Department of Health and Human Services Centers for Medicare & Medicaid Services 42 CFR Parts 435, 436, 440, 441, 457 and 483 which identifies the CMS acceptable methods for determining citizenship.

Conclusion and Next Steps

HHSC-OIG and Office of Eligibility staff reviewed the submissions provided by the 12 vendors for RFI No. 529-08-0201, to determine feasibility of increasing the use of technology to strengthen the detection and deterrence of fraud in the state Medicaid program, along with using technology to verify a person's citizenship and eligibility for coverage. From the 12 submissions, HHSC-OIG has determined that there were not any additional suggestions regarding verification of citizenship from the vendors, which HHSC Office of Family Services or HHSC Office of the Inspector General, has not already implemented. In fact, only two responses contained any information regarding verification of citizenship with other states Vital Registration birth records.

The Texas Legislature through S.B.10, Section 6 (a), Subchapter C, Chapter 531, Government Code, Section 531.1112, requested HHSC and HHSC-OIG to jointly study the feasibility of increasing the use of technology to strengthen the detection and deterrence of fraud in the state Medicaid program.

HHSC and HHSC-OIG is in the process of re-procuring the Medicaid Fraud and Abuse Detection System (MFADS) that is the result of Section 531.106 of the Texas Government Code. The mission of HHSC in this re-procurement is to improve the early detection of fraud, abuse, and waste in the Texas Medicaid program and reduce financial loss to the State of Texas. HHSC will accomplish this mission by contracting with a vendor that is innovative, responsive to the needs of HHSC, the Medicaid program, and taxpayers, and responsible for discrete, measurable results. The contracted vendor will develop, implement, operate, maintain and support an automated information system that employs neural network or learning technology.

Through the re-procurement process, HHSC will be able to evaluate the various provider focused fraud detection technology and obtain the best value for the state to ensure safeguards and



continual improvement in the statewide process to strengthen the detection and deterrence of fraud in the Medicaid program.

In addition, HHSC Office of Eligibility is researching a project called the National Association for Public Health Statistics and Information Systems ([NAPHSIS](#)) Electronic Verification of Vital Events ([EVVE](#)).

HHSC will determine the feasibility of implementing this system after considering the cost, as well as researching the results that other states have had in using this system. An explanation of this system is as follows:

- The National Association for Public Health Statistics and Information Systems (NAPHSIS) is an electronic system that allows immediate confirmation of the information on a birth certificate presented by an applicant to a government office anywhere in the nation irrespective of the place or date of issuance. Authorized Federal and State agency users, via a single interface, can generate an electronic query to any participating vital records jurisdiction throughout the country to verify the contents of a paper birth certificate or to request an electronic certification (in lieu of the paper birth certificate). An electronic response from the participating vital records jurisdiction either verifies or denies the match with official state or jurisdiction records. It will also flag positive responses where the person matched is now deceased.