



**TEXAS**  
Health and Human  
Services

# Inspector General

---

**Investigating Fraud, Waste, and Abuse**

July 28, 2017

**Sylvia Hernandez Kauffman**  
**Principal Deputy Inspector General**





TEXAS  
Health and Human  
Services

# Agenda

---

1. Who We Are
2. Results
3. Agency Overview
4. Medical Services Division
5. Medical Provider Integrity
6. Audit
7. Q & A

# Inspector General

## Who We Are

The IG's role is to prevent, detect, audit, inspect, review, and investigate fraud, waste and abuse in the provision and delivery of all health and human services in Texas.

- Our Vision:
  - To be the best state-level Inspector General in the country.
- Our Values:
  - Professionalism
  - Productivity
  - Perseverance



**TEXAS**  
Health and Human  
Services

# Inspector General

---

## Results (FY 2016)

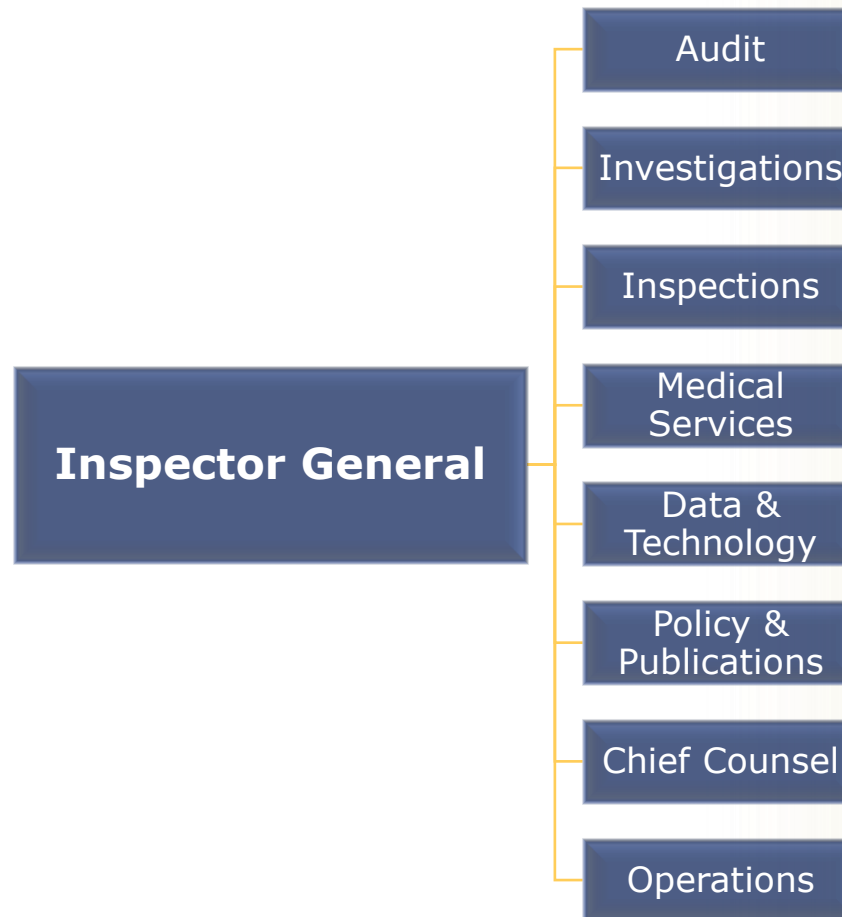
- Recovered \$85 million
- Completed 2000 provider investigations
- Issued 50 “yellow book” audit reports
- Conducted 225 Nursing Facility URs
- Reviewed 50,000 hospital claims
- Conducted 50,000 provider background checks
- Processed 45,000 integrity line calls
- Excluded 300 providers



TEXAS  
Health and Human  
Services

To report fraud, waste, or abuse visit <https://oig.hhsc.texas.gov> or  
contact the Integrity Line at 1-800-436-6184

# Agency Overview



**TEXAS**  
Health and Human  
Services

# Medical Services Division

## Scope

- ◆ Review hospital, nursing facility, and acute care utilization
- ◆ Administer Lock-In Program
- ◆ Research clinical claims
- ◆ Ensure a uniform application of Medicaid policies across the IG to produce consistent clinical reviews
- ◆ Targeted Queries
- ◆ Audit/Inspection/Investigation Support



# Medical Services Division

## Common Findings

- ◆ Billing concerns (duplicates, missing signatures, services not provided, lack of documentation, etc)
- ◆ Documentation does not support medical necessity
- ◆ Observation stays/outpatient procedures billed as inpatient
- ◆ Inaccurate assessments of members

# Medicaid Provider Integrity

## Scope

- ◆ To investigate allegations related to fraud, waste, and abuse by Medicaid health care providers
  - Fee for Service (FFS)
  - Managed Care Organizations (MCOs)



# Medicaid Provider Integrity

## Common Allegations

- ◆ Inappropriate billing (e.g., unbundling)
- ◆ Program non-compliance (e.g., clients being forced to pay co-pay)
- ◆ Billing for services not rendered
- ◆ Billing for unnecessary services
- ◆ Quality of care issues (e.g., long wait before client's appointment, rude staff or physician)
- ◆ Fraud, kickback, and other prohibited activities
- ◆ Upcoding
- ◆ Forged or altered documents
- ◆ Duplicate billing



# Audit Division

## Scope

- ◆ Perform and coordinate audits of the:
  - Use of state and federal funds
  - Accuracy of medical provider payments
  - Performance of HHS agency contractors
  - Effectiveness of HHS agency programs and projects
- ◆ Conduct performance, provider, and IT audits
- ◆ Coordinate all federal government audits
- ◆ Manage the Recovery Audit Contractor contract
- ◆ Serve as the single point of contact with Centers for Medicare & Medicaid Services for:
  - Medicaid Integrity Contractors
  - Payment Error Rate Measurement



# Audit Division

## Provider Audits/Common Findings

- ◆ Assess contractor or medical service provider compliance with criteria contained in legislation, rules, policy, or contracts, and to determine whether funds were used as intended
- ◆ May identify questioned costs or unsupported costs
- ◆ Common audit findings include:
  - Incomplete medical records to support services billed
  - Inadequate or incomplete documentation on file





**TEXAS**  
Health and Human  
Services

# Thank you

Sylvia Hernandez Kauffman- Principal Deputy Inspector General

---

To Learn more about the Office of Inspector General:

**Website:** <https://oig.hhsc.texas.gov/>

**Facebook:** [www.facebook.com/TxOIG](http://www.facebook.com/TxOIG)

**Twitter:** [twitter.com/TexasOIG](https://twitter.com/TexasOIG)