TITLE 1 ADMINISTRATION

PART 15 TEXAS HEALTH AND HUMAN SERVICES COMMISSION

CHAPTER 371 MEDICAID AND OTHER HEALTH AND HUMAN SERVICES FRAUD AND ABUSE PROGRAM INTEGRITY

SUBCHAPTER B OFFICE OF INSPECTOR GENERAL

§371.37. Audit of Managed Care Organizations.

(a) The Office of Inspector General (OIG) plans and conducts regular audits of Managed Care Organizations (MCOs) participating in Medicaid [~~according to policy established pursuant to §353.6(d) of this title (relating to Audit of Managed Care Organizations)~~]. OIG audits of MCOs are conducted independent of the Health and Human Services Commission (HHSC), but rely on the coordination described in this section.

(b) For purposes of this rule, “MCO” includes any entity with which an MCO contracts. [~~The OIG coordinates with HHSC in the development of risk assessments, audit plans, and findings to:~~]

[~~(1) minimize the duplication of activities relating to the audits of MCOs; and~~]

[~~(2) ensure that the OIG has a thorough understanding of the health and human services system for purposes of knowledgeably and effectively performing audits of MCOs.~~]

(c) OIG’s roles and responsibilities for audits of MCOs include:

(1) coordinating with the HHSC Medicaid and CHIP Services Division (MCSD) and Health and Human Services (HHS)Internal Audit Division in the development of audit plans to minimize duplication of activities relating to audits of MCOs;

(2) conferring with MCSD on potential OIG MCO audits;

(3) considering input from MCSD, including input into the development of risk assessment methodologies;

(4) considering audit requests by HHS System executive management;

(5) performing risk assessments to select MCOs or MCO activities for audit;

(6) considering previous audit and review findings of MCOs by MCSD, HHS Internal Audit Division, and HHSC audit contractors;

(7) submitting to the HHS Executive Commissioner, at least annually, a draft audit plan identifying the OIG’s planned audits of MCOs;

(8) considering and responding to any comments, or alternative or additional audit topics, submitted to the OIG by the HHS Executive Commissioner, or the HHS Executive Commissioner’s designee, on the OIG’s draft audit plan before finalizing the annual audit plan;

(9) consulting with MCSD management, consulting with subject matter experts, and, when necessary, obtaining specialized training, to ensure the OIG has sufficient knowledge and understanding to effectively conduct audits of MCOs;

(10) communicating preliminary results of MCO audits to MCSD for review and comment;

(11) considering MCSD comments before finalizing MCO audit report recommendations; and

(12) sharing proposed audit findings with MCSD before issuing a final report to an MCO or to MCSD.

[~~(c) To facilitate coordination between the OIG and HHSC, the OIG annually develops and submits to HHSC's Executive Commissioner a draft audit plan identifying the OIG's planned audits of MCOs. The OIG considers input from HHSC, and previous audits and review findings of MCOs by HHSC, before finalizing the annual audit plan.~~]

(d) Notwithstanding subsections (a), (b), and (c) of this section, the OIG may conduct unplanned [~~investigate, including by means of regular~~] audits of [~~,~~] allegations of suspected fraud, waste, or abuse by MCOs. Such unplanned audits need not be part of any OIG audit plan or part of the usual processes described in this section and the OIG may, after sharing proposed audit findings with MCSD, issue audit reports directly to MCOs.