



A Report on Health and Human Services Commission Contracts

May 26, 2021

Members of the Legislative Audit Committee:

Texas Government Code, Section 321.013(k), requires that, in devising its audit plan, the State Auditor's Office shall consider performing audits of Health and Human Services Commission (Commission) contracts that exceed \$100 million in annual value, including contracts between the Commission and managed care organizations. Pursuant to that requirement, the State Auditor's Office used unaudited information from the Commission's System of Contract Operation and Reporting (SCOR) to compile a list of each Commission contract with a total value exceeding \$100 million.

The State Auditor's Office identified 105 contracts with a total value exceeding \$100 million. Those contracts included:

- Forty-seven contracts for managed care services.
- Thirty long-term care provider contracts that transitioned from the Department of Aging and Disability Services to the Commission during fiscal year 2017.
- Fifteen contracts related to various aspects of operating Medicaid, Children's Health Insurance, Medical Transportation, and administrative programs; and other medical/enrollment services.
- Six contracts related to information technology.
- Five construction contracts.
- Two interlocal contracts related to mental health services.

According to information from SCOR, as of March 22, 2021, expenditures for those 105 contracts totaled approximately \$184.1 billion.

The State Auditor's Office will include the information identified in this report in its risk assessment process for selecting contracts to audit during fiscal year 2022. A list of the 105 contracts discussed above is attached to this letter.

Objective, Scope, and Methodology

The objective of this project was to identify and analyze Commission contracts exceeding \$100 million in total value, including all contracts with managed care organizations, to meet the requirements in Texas Government Code, Section 321.013(k).

The project scope included Commission contracts that were active between December 1, 2019, and March 22, 2021, and had a total value exceeding \$100 million as of March 22, 2021.

This project was not an audit. The project relied on self-reported Commission information regarding contracts and their associated expenditures. That information was not subject to the tests and confirmations that would be performed in an audit. However, the information in this report was subject to certain quality control procedures to help ensure accuracy. The following members of the State Auditor's staff performed the project:

- Lilia Srubar, CPA (Project Manager)
- Mary Ann Wise, CPA, CFE (Quality Control Reviewer)
- Michael Simon, MBA, CGAP (Audit Manager)

SAO Report No. 21-021

Members of the Legislative Audit Committee

May 26, 2021

Page 2

If you have any questions, please contact Michael Simon, Audit Manager, or me at (512) 936-9500.

Sincerely,

Lisa R. Collier, CPA, CFE, CIDA

First Assistant State Auditor

Attachment

cc: The Honorable Greg Abbott, Governor

Ms. Cecile Young, Executive Commissioner, Health and Human Services Commission



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Attachment

Summary of Health and Human Services Commission Contracts

Table 1 lists each Health and Human Services Commission (Commission) contract with a total value exceeding \$100 million. To determine a contract's total value, the State Auditor's Office considered both the award values and expenditures associated with those contracts.

The Commission generated this unaudited information from its System of Contract Operation and Reporting (SCOR) as of March 22, 2021. For the purposes of this project, SCOR was the most complete repository of Commission contract data, including data on the award values and expenditures associated with those contracts. Auditors did not verify the accuracy of the contract data in SCOR.

Table 1

Summary of Health and Human Services Commission Contracts as of March 22, 2021					
Contractor Name	Contract Number	Contract Description	Contract Award Value ^a	Total Contract Expenditures	
Managed Care Services					
1	Amerigroup Texas Inc.	529-12-0002-00019	Children's Health Insurance Program (CHIP)	\$ 0	\$ 21,690,012,176
2	UnitedHealthcare Community Plan of Texas	529-12-0002-00009	CHIP	0	16,103,230,657
3	Bankers Reserve Life Insurance Company of Wisconsin	529-12-0002-00006	CHIP	0	15,212,797,529
4	Superior Health Plan	529-12-0002-00007	CHIP	0	14,586,618,558
5	Molina Healthcare of Texas Inc.	529-12-0002-00008	CHIP	0	11,593,203,935
6	Texas Children's Health Plan	529-12-0002-00014	CHIP	0	8,953,334,795
7	DentaQuest USA Insurance Company	529-12-0003-00002	CHIP	0	6,629,623,561
8	Parkland Community Health Plan Inc.	529-12-0002-00004	CHIP	0	5,089,911,291
9	MCNA Insurance Company	529-12-0003-00003	CHIP	0	4,986,823,606
10	Driscoll Children's Health Plan	529-12-0002-00010	CHIP	0	4,275,611,344
11	Molina Healthcare of Texas Inc.	529-10-0020-00005	STAR+PLUS	0	4,041,499,531
12	United Healthcare Insurance Company	529-13-0042-00004	STAR+PLUS	0	3,921,340,802
13	Superior Health Plan	529-13-0042-00003	STAR+PLUS	0	3,882,913,214

Summary of Health and Human Services Commission Contracts as of March 22, 2021

	Contractor Name	Contract Number	Contract Description	Contract Award Value ^a	Total Contract Expenditures
14	Community Health Choice Texas Inc.	529-12-0002-00024	CHIP	0	3,136,875,347
15	Amerigroup Insurance Company	529-12-0002-00015	CHIP	0	3,075,662,414
16	Community First Health Plans Inc.	529-12-0002-00020	CHIP	0	2,934,268,489
17	Texas Children's Health Plan	529-13-0071-00009	STAR Kids	0	2,893,727,093
18	Cook Children's Health Plan	529-12-0002-00002	CHIP	0	2,893,609,511
19	Amerigroup Texas Inc.	529-10-0020-00002	STAR+PLUS	0	2,846,370,507
20	Superior Health Plan	529-10-0020-00003	STAR+PLUS	0	2,779,913,430
21	UnitedHealthcare Insurance Company	529-13-0071-00010	STAR Kids	0	2,652,925,864
22	SHA LLC	529-12-0002-00001	CHIP	0	2,630,332,243
23	Superior Health Plan	529-13-0071-00008	STAR Kids	0	2,530,145,026
24	Healthspring Life and Health Insurance Company, Inc.	529-13-0042-00002	STAR+PLUS	0	2,229,191,431
25	Superior Health Plan	529-15-0001-00001	CHIP	0	2,116,706,378
26	Healthspring Life and Health Insurance Company, Inc.	529-12-0002-00012	CHIP	0	2,067,657,935
27	Healthspring Life and Health Insurance Company, Inc.	529-10-0020-00006	STAR+PLUS	0	2,045,865,590
28	Amerigroup Insurance Company	529-13-0071-00002	STAR Kids	0	1,978,875,890
29	El Paso First Health Plans Inc.	529-12-0002-00013	CHIP	0	1,667,365,328
30	Amerigroup Insurance Company	529-13-0042-00001	STAR+PLUS	0	1,577,682,285
31	Aetna Better Health of Texas Inc.	529-12-0002-00022	CHIP	0	1,324,067,763
32	Scott & White Pharmacy	529-12-0002-00011	CHIP	0	1,162,612,316
33	Cook Children's Health Plan	529-13-0071-00005	STAR Kids	0	1,003,669,938
34	Molina Healthcare of Texas Inc.	529-15-0058-00001	STAR+PLUS	0	988,341,200
35	Bankers Reserve Life Insurance Company of Wisconsin	529-08-0001-00001	CHIP	0	988,224,954
36	Community First Health Plans Inc.	529-13-0071-00004	STAR Kids	0	870,143,615
37	Blue Cross and Blue Shield of Texas	529-12-0002-00017	CHIP	0	806,204,980
38	Conduent State Healthcare LLC	529-14-0125-00004	CHIP	0	779,680,609

Summary of Health and Human Services Commission Contracts as of March 22, 2021

Contractor Name		Contract Number	Contract Description	Contract Award Value ^a	Total Contract Expenditures
39	Driscoll Children's Health Plan	529-13-0071-00006	STAR Kids	0	772,237,260
40	Superior Health Plan	529-15-0061-00001	STAR+PLUS	0	754,798,018
41	Blue Cross and Blue Shield of Texas	529-13-0071-00007	STAR Kids	0	747,627,462
42	Seton Health Plan Inc.	529-12-0002-00005	CHIP	0	554,227,032
43	Aetna Better Health of Texas Inc.	529-13-0071-00001	STAR Kids	0	471,639,522
44	UnitedHealthcare Community Plan of Texas	529-15-0059-00001	STAR+PLUS	0	342,091,205
45	Molina Healthcare of Texas Inc.	529-08-0001-00002	CHIP	0	234,684,982
46	Healthspring Life and Health Insurance Company, Inc.	529-15-0057-00001	STAR+PLUS	0	166,990,342
47	Amerigroup Texas Inc.	HHS000008700001	STAR+PLUS	0	122,851,990
Subtotals				\$ 0	\$175,114,188,951 ^b
Long-Term Care Provider Contracts Transitioned from the Department of Aging and Disability Services					
48	Bienvivir Senior Health Services	000999817	Program of All-inclusive Care for the Elderly (PACE)	\$ 0	\$ 451,610,616
49	Consumer Directed Services in Texas Inc.	001017414	Community Living Assistance and Support Services (CLASS) - Consumer Directed Services (CDS)	0	336,419,796
50	Caregivers Home Health Texas Inc.	001012761	CDS - CLASS	0	315,516,820
51	D&S Residential Services LP	001007352	Home and Community Based Services (HCS)	0	263,584,130
52	JHC Operations LLC	000071400	Primary Home Care (PHC) - Family Care (FC) - Community Attendant Services (CAS)	0	238,965,674
53	Berry Family Services Inc.	001007929	HCS	0	187,847,321
54	Texas Visiting Nurse Service LTD	000081100	PHC/FC/CAS	0	185,485,082
55	Texas Home Health of America LP	001002981	PHC/FC/CAS	0	185,448,022
56	Girling Health Care Inc.	001016243	PHC/FC/CAS	0	178,355,003
57	Texana Center	001007318	HCS	0	171,747,054
58	Legacy Home Health Agency Inc.	001003937	PHC/FC/CAS	0	155,054,232
59	All The Little Things Count LC	001007409	HCS	0	154,642,701

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Contractor Name	Contract Number	Contract Description	Contract Award Value ^a	Total Contract Expenditures	
60	Girling Health Care Inc.	001016245	PHC/FC/CAS with Service Responsibility Option (SRO)	0	153,702,160
61	In-Home Attendant Services LTD	001012963	CDS - CLASS	0	148,420,669
62	Caring For You Home Health Inc.	000117700	PHC/FC/CAS	0	139,638,038
63	Texas Home Health of America LP	001002979	PHC/FC/CAS	0	136,276,650
64	St. Giles Living Centers Inc.	001007212	HCS	0	130,519,124
65	Nexion Health at Truman Inc.	001013802	Nursing Facility	0	126,773,559
66	International Tutoring Services LLC	001013527	Hospice	0	122,280,628
67	Girling Health Care Inc.	001016241	PHC/FC/CAS	0	121,306,207
68	Astrocare Class Inc.	001015857	CLASS - DSA	0	116,172,844
69	D&S Residential Services LP	001007095	HCS	0	113,109,972
70	Disability Services of the Southwest Inc.	001015845	CLASS - DSA	0	112,284,836
71	Educare Community Living Corporation-Texas	001007425	HCS	0	110,245,849
72	Abundant Life Home Health Inc.	000019200	PHC/FC/CAS	0	105,088,954
73	MRM Enterprises, LLC	000119100	PHC/FC/CAS	0	104,812,283
74	Texas Visiting Nurse Service LTD	001015939	CLASS - DSA	0	104,302,753
75	December Nine Company LTD	001007525	HCS	0	103,158,036
76	D&S Residential Services LP	001007042	HCS	0	101,421,466
77	Helping Restore Ability	001003166	CDS - CLASS	0	101,121,897
Subtotals				\$ 0	\$4,975,312,376
Medicaid, Children's Health Insurance, Medical Transportation, and Administrative Programs; and Other Medical/Enrollment Services					
78	Maximus Inc.	529-14-0006-00001	Medicaid Eligibility Support Services	\$ 747,386,928	\$ 475,335,738
79	Maximus Inc.	529-10-0005-00001	Managed Care Enrollment Broker Operations	482,702,954	420,648,470
80	Modivcare Solutions LLC	529-11-0004-00002	Non-emergency Medical Transportation Program Services	0	284,327,445
81	Medical Transportation Management Inc.	529-11-0004-00001	Non-emergency Medical Transportation Program Services	0	279,533,771
82	Office of the Attorney General	529-12-0086-00001	Program and Administrative Services	0	156,583,429

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83	Modivcare Solutions LLC	529-15-0002-00007	Non-emergency Medical Transportation Program Services	0	111,468,322
84	Medical Transportation Management Inc.	529-15-0002-00005	Non-emergency Medical Transportation Program Services	0	105,462,462
85	Department of State Health Services	HHS000072400001	CHIP Vaccine Services	160,000,000	102,978,260
86	Children's Advocacy Centers of Texas, Inc.	529-16-0023-00001	Children's Advocacy Programs	101,094,019	66,470,599
87	Maximus Inc.	HHS000061300001	Enrollment Broker	274,973,097	31,587,877
88	Morris & Dickson Company LLC	HHS000028600002	Distribution of Pharmaceutical Products	150,000,000	23,437,883
89	Department of State Health Services	HHS000106800001	CHIP Vaccine Program	160,000,000	20,772,698
90	Morris & Dickson Company LLC	HHS000028600001	Distribution of Pharmaceutical Products	150,000,000	15,967,088
91	South Plains Community Action Association, Inc.	HHS000806400001	Women, Infants and Children's Nutrition Program (WIC)	101,069,605	4,389,568
92	Department of State Health Services	HHS000106400001	Lab Screening Services	557,946,754	0
Subtotals				\$2,885,173,357	\$2,098,963,609 ^b
Information Technology					
93	Accenture State Healthcare Services LLC	529-16-0007-00001	Medicaid Management Information System (MMIS) Drug Rebate Administration	\$ 1,459,509,678	\$ 699,078,849
94	Northrop Grumman Systems Corporation	529-12-0006-00001	TIERS Data Center Services	190,130,038	190,742,717
95	Department of Information Resources	529-13-0088-00001	State Data Center Services	196,461,423	158,923,978
96	Department of Information Resources	DIR-SS-IAC0016	Department of Information Resources Shared Services	101,294,831	146,122,889
97	Deloitte Consulting LLP	HHS000045800001	TIERS Software Development and Maintenance	192,370,156	84,262,766
98	Vexcel Corporation	537-15-0006-00002	WIC	120,706,406	66,413,670
Subtotals				\$2,260,472,532	\$1,345,544,870 ^b
Construction					
99	The University of Texas at Austin	HHS000097000002	Pre-planning Activities for Replacement of Austin State Hospital	\$ 180,717,817	\$ 171,450,600

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Contractor Name		Contract Number	Contract Description	Contract Award Value ^a	Total Contract Expenditures
100	The University of Texas Health Science Center at Houston	HHS000158300001	Planning, Design and Construction of Psychiatric Hospital Facility at the Texas Medical Center	125,000,000	106,000,000
101	The University of Texas Health Science Center at San Antonio	HHS000099200001	Pre-planning Activities for Replacement of San Antonio State Hospital	204,800,000	41,506,677
102	The Robins & Morton Group	HHS000119400001	Pre-construction Services and Construction Services for the Rusk State Hospital	149,023,102	11,099,398
103	The University of Texas Health Science Center at San Antonio	HHS000099200002	Planning, Design and Construction for Replacement of San Antonio State Hospital	204,800,000	3,252,854
Subtotal				\$864,340,919	\$333,309,529
Interlocal Contracts					
104	The Harris Center for Mental Health and IDD	HHS000525600001	Local Mental Health Authority	\$ 232,588,102	\$ 172,563,861
105	North Texas Behavioral Health Authority	HHS000537200012	Local Mental Health Authority	136,316,600	96,864,875
Subtotal				\$ 368,904,702	\$ 269,428,736
Total for All Contracts				\$6,378,891,509 ^b	\$184,136,748,072 ^b
^a Contracts that do not have a stated value within the contract are shown with an award value of \$0. According to the Commission, the value of these contracts are based on a variety of payment models. An example is the capitation payment model, in which contractors are paid predetermined rates for individuals served.					
^b Total does not sum exactly due to rounding.					

Source: Unaudited information from the Commission's System of Contract Operation and Reporting.