



Health and Human Services Commission Contracts

A Report on

December 6, 2017

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 compiled a list of each Commission contract with a total value exceeding \$100 million, as well as all contracts for managed care services.

Based on unaudited information from the Commission's Health and Human Services Contract Administration and Tracking System (HCATS), the State Auditor's Office identified 79 contracts with a total value exceeding \$100 million. Those contracts included:

- Nine contracts related to various aspects of operating Medicaid, Children's Health Insurance, Medical Transportation, and administrative programs.
- Three contracts related to information technology and telecommunications services.
- One contract related to pharmacy providers for the Vendor Drug Program.
- Forty-nine contracts for managed care services.
- One interlocal contract related to mental health services.
- Sixteen long-term care contracts transitioned from the Department of Aging and Disability Services to the Commission during fiscal year 2017.

Objective, Scope, and Methodology

The objective of this project was to identify and analyze Commission contracts exceeding \$100 million in total value, including those with managed care organizations.

The project scope included active Commission contracts exceeding \$100 million in total value and all contracts for managed care services as of June 1, 2017.

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 Office staff performed the project:

- Scott Labbe, CPA (Project Manager)
- Teri Incremona, CFE
- Joseph Smith, CISA
- Brianna C. Pierce, CPA (Quality Control Reviewer)
- John Young, MPAff (Audit Manager)

According to the Commission, as of June 1, 2017, expenditures for those 79 contracts had totaled approximately \$93.3 billion. For the purposes of this project, HCATS was the most complete repository of Commission contract data, including data on expenditures associated with those contracts. Additionally, the State Auditor's Office reviewed expenditure data from the Commission's financial system (the Health

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and Human Services Administrative System) to determine the reasonableness of total expenditures for certain contracts.

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 2018. A list of the 79 contracts discussed above is attached to this letter.

If you have any questions, please contact John Young, 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

Mr. Charles Smith, 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, as well as all contracts for managed care services. The Commission reported that unaudited information as of June 1, 2017. It generated that information from its Health and Human Services Contract Administration and Tracking System (HCATS).

For the purposes of this project, HCATS was the most complete repository of Commission contract data, including expenditures associated with those contracts. Additionally, the State Auditor's Office reviewed expenditure data from the Commission's financial system (the Health and Human Services Administrative System) to determine the reasonableness of total expenditures for certain contracts.

Table 1

Summary of Health and Human Services Commission Contracts				
Contractor Name		Contract Number	Contract Description	Total Contract Expenditures as of June 1, 2017
Medicaid, Children's Health Insurance, Medical Transportation, and Administrative Programs Contracts				
1	Accenture LLC	529-14-0125-00003	Medical Claims Administration	\$692,588,360
2	Maximus Inc.	529-10-0005-00001	Managed Care Enrollment Broker Operations	238,475,689 ^a
3	Logisticare Solutions	529-11-0004-00002	Non-emergency Medical Transportation Program Services	182,524,155
4	Medical Transportation Management Inc.	529-11-0004-00001	Non-emergency Medical Transportation Program Services	169,633,636
5	Department of State Health Services	529-09-0133-00001	Commission Program and Administrative Services	154,932,453
6	Department of State Health Services	529-11-0107-00001	Vaccines for the Children's Health Insurance Program	148,839,390
7	Maximus Inc.	529-14-0006-00001	Medicaid Eligibility Support Services	144,962,240
8	Texas Child Support Disbursement Unit	529-12-0086-00001	Commission Program and Administrative Services	107,540,199
9	Lefleur Transportation of Texas Inc.	529-15-0002-00010	Commission Medical Transportation Program Managed Transportation Organization	105,612,148
Subtotal				\$1,945,108,270

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Contractor Name	Contract Number	Contract Description	Total Contract Expenditures as of June 1, 2017	
Information Technology and Telecommunications Contracts				
10	Deloitte Consulting LLP	529-08-0208-00001	Texas Integrated Eligibility Redesign System Maintenance and Support	\$253,522,244
11	Northrop Grumman Systems Corporation	529-12-0006-00001	Data Center Services for the Texas Integrated Eligibility Redesign System	135,553,092
12	Department of Information Resources	529-13-0088-00001	State Data Center Services	171,712,363 ^a
Subtotal			\$560,787,699	
Vendor Drug Program Contract				
13	ProCare Pharmacy Direct Inc.	529-09-0069-00164	Vendor Drug Program Pharmacy Provider	\$145,613,003
Subtotal			\$145,613,003	
Managed Care Contracts				
14	Amerigroup Community Care of Texas	529-12-0002-00019	Managed Care Services	\$11,202,926,454
15	United Healthcare Community Plan of Texas	529-12-0002-00009	Managed Care Services	7,897,983,993
16	Superior HealthPlan Inc.	529-12-0002-00006	Managed Care Services	7,728,548,663
17	Superior HealthPlan Inc.	529-12-0002-00007	Managed Care Services	7,269,639,486
18	Molina Healthcare Inc.	529-12-0002-00008	Managed Care Services	7,081,782,758
19	Texas Children's Health Plan	529-12-0002-00014	Managed Care Services	4,961,350,602
20	Community Health Choice	529-12-0002-00003	Managed Care Services	4,282,439,391
21	DentaQuest Ventures Inc.	529-12-0003-00002	Managed Care Services	4,004,939,357
22	MCNA Insurance Company	529-12-0003-00003	Managed Care Services	3,090,826,515
23	Parkland Community Health Plan, Inc.	529-12-0002-00004	Managed Care Services	2,926,264,585
24	Driscoll Children's Health Plan	529-12-0002-00010	Managed Care Services	2,267,252,920
25	Amerigroup Community Care of Texas	529-12-0002-00015	Managed Care Services	1,822,668,962
26	SHA LLC (FirstCare)	529-12-0002-00001	Managed Care Services	1,650,196,059
27	Community First Health Plans	529-12-0002-00020	Managed Care Services	1,649,219,796
28	Cook Children's Health Plan	529-12-0002-00002	Managed Care Services	1,630,330,109
29	United Healthcare Insurance Company	529-13-0042-00004	Managed Care Services	1,540,417,131
30	Molina Healthcare Inc.	529-10-0020-00005	Managed Care Services	1,429,587,631
31	Superior HealthPlan Inc.	529-13-0042-00003	Managed Care Services	1,420,536,537
32	HealthSpring Life and Health Insurance Company	529-10-0020-00006	Managed Care Services	1,250,512,481
33	Aetna Health Inc.	529-12-0002-00022	Managed Care Services	1,246,942,407

Summary of Health and Human Services Commission Contracts

	Contractor Name	Contract Number	Contract Description	Total Contract Expenditures as of June 1, 2017
34	Superior HealthPlan Inc.	529-10-0020-00003	Managed Care Services	988,471,919
35	El Paso First Health Plans Inc.	529-12-0002-00013	Managed Care Services	915,049,725
36	HealthSpring Life and Health Insurance Company	529-13-0042-00002	Managed Care Services	844,102,464
37	HealthSpring Life and Health Insurance Company	529-12-0002-00012	Managed Care Services	806,981,189
38	Superior HealthPlan Inc.	529-15-0001-00001	Managed Care Services	706,745,840
39	Amerigroup Community Care of Texas	529-10-0020-00002	Managed Care Services	691,277,379
40	Scott and White Health Plan	529-12-0002-00011	Managed Care Services	649,629,501
41	Amerigroup Community Care of Texas	529-13-0042-00001	Managed Care Services	609,136,290
42	Superior HealthPlan Inc.	529-08-0001-00001	Managed Care Services	595,226,131
43	Superior HealthPlan Inc.	529-13-0071-00008	Managed Care Services	442,129,175
44	United Healthcare Insurance Company	529-13-0071-00010	Managed Care Services	441,919,453
45	Texas Children's Health Plan	529-13-0071-00009	Managed Care Services	430,965,574
46	Amerigroup Community Care of Texas	529-13-0071-00002	Managed Care Services	426,711,269
47	Molina Healthcare Inc.	529-15-0058-00001	Managed Care Services	398,259,076
48	Blue Cross and Blue Shield of Texas	529-12-0002-00017	Managed Care Services	391,318,450
49	Amerigroup Community Care of Texas	529-15-0060-00001	Managed Care Services	337,044,173
50	Seton HealthPlan Inc.	529-12-0002-00005	Managed Care Services	301,448,872
51	Superior HealthPlan Inc.	529-15-0061-00001	Managed Care Services	286,734,687
52	Sendero Health Plans Inc.	529-12-0002-00021	Managed Care Services	206,943,917
53	Children's Medical Center Health Plan	529-13-0071-00003	Managed Care Services	194,279,019
54	Cook Children's Health Plan	529-13-0071-00005	Managed Care Services	156,797,377
55	Driscoll Children's Health Plan	529-13-0071-00006	Managed Care Services	148,651,603
56	Community First Health Plans	529-13-0071-00004	Managed Care Services	144,901,106
57	United Healthcare Community Plan of Texas	529-15-0059-00001	Managed Care Services	137,313,320
58	CHRISTUS Health Plan	529-12-0002-00018	Managed Care Services	128,104,430
59	Blue Cross and Blue Shield of Texas	529-13-0071-00007	Managed Care Services	120,695,553
60	Molina Healthcare Inc.	529-08-0001-00002	Managed Care Services	115,645,330
61	HealthSpring Life and Health Insurance Company	529-15-0057-00001	Managed Care Services	70,823,333
62	Aetna Better Health of Texas	529-13-0071-00001	Managed Care Services	63,210,846
Subtotal				\$88,104,882,838

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Contractor Name		Contract Number	Contract Description	Total Contract Expenditures as of June 1, 2017
Interlocal Contract				
63	The Harris Center for Mental Health and IDD	529-17-0038-00024	Local Mental Health Authority	\$79,869,620 ^b
Subtotal				\$79,869,620
Long-term Care Provider Contracts Transitioned from the Department of Aging and Disability Services				
64	Bienvivir Sr. Health Services	000999817	Program of All-inclusive Care for the Elderly (PACE)	\$338,511,223
65	Caregivers Home Health Texas Inc.	001012761	Consumer Directed Services (CDS)/Community Living Assistance and Support Services (CLASS)	215,461,526
66	Consumer Directed Services in Texas Inc.	001017414	CDS/CLASS	205,435,116
67	JHC Operations LLC	17527411369	Primary Home Care (PHC)/Family Care (FC)/Community Attendant Services (CAS)	182,371,715
68	Texas Visiting Nurse Service LTD	000081100	PHC/FC/CAS	168,605,834
69	D&S Residential Services LP	001007352	Home and Community Based Services (HCS)	164,594,779
70	Texas Home Health of America LP	001002981	PHC/FC/CAS	150,355,085
71	Girling Health Care Inc.	001016243	PHC/FC/CAS	132,865,384
72	Texana Center	001007318	HCS	130,813,501
73	Caring for You Home Health Inc.	00117700	PHC/FC/CAS	126,202,012
74	Berry Family Services Inc.	001007929	HCS	124,822,512
75	Legacy Home Health Agency Inc.	001003937	PHC/FC/CAS	120,434,124
76	All The Little Things Count LC	001007409	HCS	118,192,761
77	In-Home Attendant Services LTD	001012963	CDS/CLASS	115,029,103
78	Texas Home Health of America LP	001002979	PHC/FC/CAS	112,150,014
79	Girling Health Care Inc.	001016245	PHC/FC/CAS	107,136,660
Subtotal				\$2,512,981,349
Total for all contracts				\$93,349,242,779

^a Total contract expenditures include expenditures recorded in the Health and Human Services Administrative System but not recorded in HCATS.

^b The contract's value exceeded \$100,000,000; however, as of June 1, 2017, expenditures had not exceeded \$100,000,000 for the contract.

Source: Unaudited information from the Commission.