TennCare Quarterly Report

Submitted to the TennCare Oversight Committee and the Fiscal Review Committee

January 15, 2010

Status of TennCare Reforms and Improvements

TennCare extension. The current three-year extension of the TennCare waiver, called "TennCare II," expires on June 30, 2010.

On June 15, 2009, Governor Bredesen wrote a letter to Kathleen Sebelius, Secretary of the United States Department of Health and Human Services, to request another three-year extension of the waiver. The new extension would begin on July 1, 2010, and continue through June 30, 2013.

On December 15, 2009, Cindy Mann, Director of the Center for Medicaid and State Operations (CMSO) in the Centers for Medicare and Medicaid Services (CMS), wrote to the state approving the request for an extension. The new extension is provided under the authority of Section 1115(e) of the Social Security Act.

Budget issues. On November 19, 2009, TennCare leaders made a presentation to the TennCare Oversight Committee regarding the position of the TennCare program vis-à-vis changes in state revenues and program enrollment.

The presentation began with a description of the remarkable progress that has been made in recent years, such as:

- Movement from eight MCOs, none of which were at risk and none of which were selected through a competitive bidding process, to four well-capitalized MCOs operating at partial or full risk, all of which were selected through competitive bidding processes
- Movement from a fragmented system of care with behavioral health and long-term care carve-outs to a system that has integrated behavioral health and is poised to integrate long-term care for persons who are elderly or disabled
- Increase in the number of persons participating in the state's Home and Community Based Services program for persons who are elderly or disabled—from 1,131 participants in 2006 to 6,000 today
- Dramatic reduction in pharmacy spend, from $2.4 billion in 2005 to $730 million in 2009
- Improved operational functions, as exemplified by a reduction in audit findings from 39 in 2002 to none in 2009
- Significant improvement in child health screening rates, from 62% in Federal Fiscal Year 03 to 94% in Federal Fiscal Year 08

It was pointed out, however, that economic developments of the past months have had a significant effect on all state Medicaid programs, including TennCare. Health care costs are

always increasing, but now Medicaid enrollment is showing large increases as well, largely due to the economy. At present, about 5,000 new enrollees are being added to TennCare each month (in one month recently, there were over 8,000 new enrollees added). At the same time, state revenues are declining, also due to the economy. The result is a "perfect storm" for Medicaid programs.

A list was provided of proposed program reductions for State Fiscal Year 09-10 that have been delayed by the availability of non-recurring funds under ARRA (the American Recovery and Reinvestment Act of 2009). These reductions included the following:

- A 7% reduction in payment rates
- Elimination of pool payments, such as payments to Essential Access Hospitals and Critical Access Hospitals and payments for Graduate Medical Education
- Elimination of various contracts

Members of the Committee were advised that significant budget reductions would be required in State Fiscal Year 10-11 to enable the TennCare program to operate within available state revenues. These reductions, in addition to those proposed above, included such things as adding certain benefit limitations for non-pregnant adults, revising hospital reimbursement rates, and implementing a copay on non-emergency transportation for non-pregnant adults.

At the very end of the quarter, a letter was sent to the TennCare Oversight Committee informing the Committee that the state would be seeking an amendment to the TennCare demonstration in order to put in place these program revisions. A public notice process was initiated as well. It is anticipated that the amendment, which will be called Amendment #9, will be filed with CMS around the first of February 2010, with a projected implementation date of July 1, 2010.

TennCare CHOICES. The TennCare CHOICES program is scheduled for implementation in Middle Tennessee on March 1, 2010. This program will bring long-term care services for nursing facility residents of all ages, as well as home and community based services for persons who are elderly or disabled, under the managed care portion of TennCare. Many activities were conducted during the quarter to prepare for implementation. These activities included:

- Policy/procedure development and training
- Development of TennCare rules
- Completion of CHOICES Member Handbook Supplement
- TDCI approval of MCO provider agreements
- MCO network development
- Development and testing of information systems
- Statewide nursing facility and HCBS provider forums
- Development of Electronic Visit Verification system
- Development of Consumer Direction program
- Statewide training and implementation of TennCare Electronic PAE (LTC Eligibility) System (TPAES)
- MCO Submission of Readiness Review Desk Deliverables

John B. *John B.* is a long-standing lawsuit that deals with the adequacy of services provided by TennCare to children under 21. In November 2006, the state filed a motion with the District Court asking that the *John B.* Consent Decree be vacated. The District Court denied this motion on September 18, 2009, after which the state filed a Notice of Appeal of the District Court's decision with the Sixth Circuit Court of Appeals.

On November 18, 2009, the state filed its Appellate Brief with the Sixth Circuit Court of Appeals. One week later the sister states of the Sixth Circuit—Kentucky, Ohio, and Michigan—filed an Amicus Brief in support of the state's contention that the Consent Decree should be vacated.

Payments to ambulance providers. During this quarter, the Bureau of TennCare implemented the General Assembly's directive to use $2,250,000 in state funds to make payments to ambulance providers. The purpose of these payments was to offset Medicaid losses related to the provision of transportation services out-of-county.

Implementation of new Medicare crossover payment logic. During the 2009 session of the General Assembly, two decisions were made with respect to TennCare payments of Medicare crossover claims. First, the TennCare allowable on Part B claims was increased from 80% to 85% of the Medicare allowed amount, in accordance with TennCare Rule 1200-13-17. Second, reimbursement for outpatient prescription drugs provided through Medicare Part B by pharmacy providers was increased to 100% of the Medicare allowed amount, in accordance with TennCare Rule 1200-13-17. The programming to implement these changes was completed during this quarter, and claims with dates of service on or after July l, 2009 that had already been paid were reprocessed according to the new methodology.

Essential Access Hospital (EAH) payments. The TennCare Bureau continued to make Essential Access Hospital payments during this period. Essential Access Hospital payments are payments from a pool of $100 million ($36,265,000 in state dollars) appropriated by the General Assembly.

The methodology for distributing these funds specifically considers each hospital's relative contribution to providing services to TennCare members, while also acknowledging differences in payer mix and hospitals' relative ability to make up TennCare losses. Data from the Hospital Joint Annual Report is used to determine hospitals' eligibility for these payments. Eligibility is determined each quarter based on each hospital's participation in TennCare. In order to receive a payment for the quarter, a hospital must be a contracted provider with TennCare Select and at least one other Managed Care Organization (MCO), and it must have contracted with TennCare Select for the entire quarter that the payment represents. Excluded from the Essential Access Hospital payments are Critical Access Hospitals, which receive cost-based reimbursement from the TennCare program and therefore do not have unreimbursed TennCare costs, and the five state mental health institutes.

The projected Essential Access Hospital payments for the second quarter of State Fiscal Year 2010 are shown below.

Hospital Name	Amount
Methodist Medical Center of Oak Ridge	$ 138,186.00
Ridgeview Psychiatric Hospital and Center	$ 125,298.00
Bedford County Medical Center	$ 57,963.00
Blount Memorial Hospital	$ 122,767.00
Skyridge Medical Center	$ 145,984.00
Skyridge Medical Center - West	$ 116,564.00
Saint Mary's Medical Center of Campbell County	$ 85,897.00
Jellico Community Hospital	$ 80,435.00
Baptist Memorial Hospital - Huntingdon	$ 41,046.00
McKenzie Regional Hospital	$ 42,275.00

Hospital Name	Amount
Sycamore Shoals Hospital	$ 78,775.00
Claiborne County Hospital	$ 124,980.00
Baptist Hospital of Cocke County	$ 101,752.00
United Regional Medical Center	$ 53,762.00
Harton Regional Medical Center	$ 63,869.00
Cumberland Medical Center	$ 81,986.00
Southern Hills Medical Center	$ 97,041.00
Metro Nashville General Hospital	$ 921,557.00
Baptist Hospital	$ 168,075.00
Vanderbilt University Hospital	$ 3,178,412.00
Centennial Medical Center	$ 248,972.00
Skyline Medical Center (with Madison Campus)	$ 245,821.00
Summit Medical Center	$ 120,791.00
Decatur County General Hospital	$ 25,705.00
Horizon Medical Center	$ 84,103.00
Dyersburg Regional Medical Center	$ 115,361.00
Methodist Healthcare - Fayette	$ 24,234.00
Jamestown Regional Medical Center	$ 34,459.00
Emerald Hodgson Hospital	$ 16,472.00
Southern Tennessee Medical Center	$ 52,760.00
Gibson General Hospital	$ 33,389.00
Humboldt General Hospital	$ 95,478.00
Hillside Hospital	$ 41,708.00
Takoma Regional Hospital	$ 68,879.00
Morristown - Hamblen Healthcare System	$ 135,539.00
Lakeway Regional Hospital	$ 108,417.00
Erlanger Medical Center	$ 1,830,214.00
Erlanger East	$ 11,963.00
Parkridge Medical Center (with Parkridge Valley)	$ 452,996.00
Parkridge East Hospital	$ 204,239.00
ABS Lincs TN, Inc.	$ 71,809.00
Bolivar General Hospital	$ 74,739.00
Hardin Medical Center	$ 111,731.00
Wellmont Hawkins County Memorial Hospital	$ 41,260.00
Haywood Park Community Hospital	$ 31,877.00
Henderson County Community Hospital	$ 24,250.00
Henry County Medical Center	$ 72,686.00
Jefferson Memorial Hospital	$ 59,526.00
Fort Sanders Regional Medical Center	$ 280,866.00
Saint Mary's Medical Center	$ 171,309.00
University of Tennessee Memorial Hospital	$ 1,256,490.00
East Tennessee Children's Hospital	$ 420,901.00
Parkwest Medical Center (with Penninsula)	$ 525,587.00
Crockett Hospital	$ 57,010.00
Lincoln Medical Center	$ 42,946.00
Woods Memorial Hospital	$ 40,539.00
Athens Regional Medical Center	$ 69,133.00

Hospital Name	Amount
McNairy Regional Hospital	$ 40,624.00
Jackson - Madison County General Hospital	$ 623,574.00
Regional Hospital of Jackson	$ 158,787.00
Pathways of Tennessee	$ 192,027.00
Grandview Medical Center	$ 61,266.00
Maury Regional Hospital	$ 157,516.00
Sweetwater Hospital Association	$ 136,219.00
Gateway Medical Center	$ 164,615.00
Baptist Memorial Hospital - Union City	$ 59,867.00
Livingston Regional Hospital	$ 57,534.00
Cookeville Regional Medical Center	$ 159,867.00
Roane Medical Center	$ 59,323.00
NorthCrest Medical Center	$ 156,319.00
Middle Tennessee Medical Center	$ 221,327.00
StoneCrest Medical Center	$ 76,939.00
Fort Sanders Sevier Medical Center	$ 121,824.00
Regional Medical Center at Memphis	$ 4,328,739.00
Saint Jude Children's Research Hospital	$ 339,550.00
Methodist Healthcare - South	$ 259,782.00
Methodist University Healthcare	$ 359,929.00
Methodist Healthcare - North	$ 161,366.00
Methodist Healthcare - LeBonheur	$ 829,099.00
Delta Medical Center	$ 189,306.00
Saint Francis Hospital	$ 472,022.00
Community Behavioral Health	$ 110,866.00
Baptist Memorial Hospital for Women	$ 137,788.00
Riverview Regional Medical Center - North	$ 21,364.00
Wellmont Bristol Regional Medical Center	$ 219,763.00
Wellmont Holston Valley Medical Center	$ 329,305.00
Indian Path medical center (with Indian Path Pavillion)	$ 124,239.00
Portland Medical Center	$ 15,550.00
Sumner Regional Medical Center	$ 109,993.00
Baptist Memorial Hospital - Tipton	$ 97,750.00
River Park Hospital	$ 54,129.00
Johnson City Specialty Hospital	$ 14,551.00
Johnson City Medical Center (with Woodridge)	$ 984,588.00
Wayne Medical Center	$ 25,695.00
Volunteer Community Hospital	$ 50,287.00
White County Community Hospital	$ 22,418.00
University Medical Center	$ 163,510.00
	$25,000,000.00

Reverification Status

The reverification of persons in the *Daniels* class continued during the quarter. As of the end of the quarter, 55,000 of the original 147,000 *Daniels* enrollees were still eligible and receiving TennCare benefits. Forty-two thousand persons who were still eligible and receiving TennCare benefits have been reverified and determined eligible. The remaining 13,000 persons have not yet completed the reverification process.

About 68%, or 62,000, of the *Daniels* class members who lost eligibility for TennCare through the reverification process are eligible for Medicare, which is a significant source of support for their medical care. Of those reverified and determined to no longer be eligible for TennCare, a primary reason for ineligibility was that the enrollee's income exceeded Medicaid requirements.

Status of Filling Top Leadership Positions in the Bureau

Jarrett J. Hallcox was appointed October 1, 2009, as the Director of Long-Term Care Project Management. He is responsible for creating and executing project work plans to implement key initiatives and improvements in the Division of Long Term Care, including the TennCare CHOICES in Long-Term Care Program. Mr. Hallcox was previously employed by the University of Tennessee for a number of years, and was awarded the Exemplary Service Award, three Vice Presidential Citations, and the Robert S. Hutchison Award, the highest award given by the University of Tennessee's Institute for Public Services. Mr. Hallcox possesses a Master's Degree in Public Administration and a Bachelor of Arts Degree with a double major in Political Science and History from the University of Tennessee, Knoxville.

Number of Recipients on TennCare and Costs to the State

As of the end of the quarter, there were 1,142,788 Medicaid eligibles and 30,737 uninsured/uninsurable persons enrolled in TennCare, for a total of 1,173,525 persons.

Projections of TennCare spending for the first quarter of FY2009-2010 are summarized in the table below.

	2nd Quarter*
Spending on MCO services**	$966,854,900
Spending on BHO services***	$362,000
Spending on dental services	$42,507,700
Spending on pharmacy services	$180,399,900
Medicare "clawback"	$44,188,600

**These figures are cash basis as of Dec. 31 and are unaudited.*
***This figure includes both Integrated Managed Care MCO expenditures, as well as "run-out" of non-integrated services.*
****Since BHO expenditures are now integrated into MCOs, this amount will continue to decline to zero.*

Viability of MCOs in the TennCare Program

Claims payment analysis. The prompt pay requirements of T.C.A. § 56-32-226(b) mandate that each managed care organization ("MCO") and behavioral health organization ("BHO") ensure that 90% of clean claims for payment for services delivered to a TennCare enrollee are paid within 30 calendar days of the receipt of such claims and 99.5% of all provider claims are processed within 60 calendar days of receipt. TennCare's contract with its Dental Benefit Manager requires the DBM to also process claims in accordance with this statutory standard. TennCare's contract with its Pharmacy Benefits Manager ("PBM") requires the PBM to pay 100% of all clean claims submitted by pharmacy providers within 10 calendar days of receipt.

The MCOs, BHOs, the DBM and the PBM are required to submit monthly claims data files of all TennCare claims processed to the Tennessee Department of Commerce and insurance (TDCI) for verification of prompt pay compliance. The plans are required to separate their claims data by TennCare Contract (i.e. East, Middle or West Grand Region) and by subcontractor (i.e. claims processed by a vision benefits manager). Furthermore, the MCOs and BHOs are required to separately identify non-emergency transportation ("NEMT") claims in the data files. TDCI then performs and reports the results of the prompt pay analyses by NEMT claim type, by subcontractor, by TennCare contract and by total claims processed for the month.

If an MCO or BHO does not comply with the prompt pay requirements based on the total claims processed in a month, TDCI has the statutory authority to levy an administrative penalty of $10,000 for each month of non-compliance after the first instance of non-compliance was reported to the plan. The TennCare Bureau can also assess liquidated damages pursuant to the terms of the TennCare Contract. If the DBM and PBM do not meet their contractual prompt pay requirements, only the TennCare Bureau can assess applicable liquidated damages against these entities.

TDCI ceased performing the aforementioned prompt pay analysis on Preferred Health Partnership, Unison Health Plans and UAHC Health Plan of Tennessee because of the negligible number of TennCare claims these MCOs were processing each month while winding down their TennCare operations. During the quarter ended December 31, 2009, TDCI analyzed monthly data files of all processed TennCare claims submitted by the other plans for September, October and November 2009. TDCI also requested data files of pended TennCare claims and paid claims triangle lags to ensure that the claims data submitted was complete and accurate. The analyses of the claims data found that all TennCare plans were in compliance with the prompt pay requirements.

Net worth requirement. By statute, the minimum net worth requirement for each TennCare MCO and BHO is calculated based on premium revenue for the most recent calendar year. TDCI's calculations for the net worth requirement reflect payments made for the calendar year ended December 31, 2008, including payments made under the "stabilization plan." During this quarter, the MCOs and BHOs submitted their NAIC Quarterly Financial Statement for the quarter ended September 30, 2009. As of September 30, 2009, TennCare MCOs/BHOs reported net worth as indicated in the table below.

	Net Worth Requirement	Reported Net Worth	Excess/ (Deficiency)

AMERIGROUP Tennessee	18,170,414	58,148,235	39,977,821
UnitedHealthcare Plan of the River Valley (AmeriChoice)	41,501,178	279,147,753	237,646,575
Preferred Health Partnership	6,715,961	22,705,684	15,989,723
UAHC Health Plan	7,159,013	8,188,655	1,029,642
Volunteer (BlueCare & Select)	25,326,692	48,829,977	23,503,285
Premier Behavioral Systems	3,450,696	4,202,404	751,708
Tennessee Behavioral Health	6,699,629	7,532,743	833,114

All TennCare MCOs and BHOs met their minimum net worth requirements as of September 30, 2009.

NOTE: Net worth for Unison Health Plans was not included in the table above because, effective October 20, 2009, regulation of Unison was transferred within TDCI from the TennCare Oversight Division to the Insurance Division as a result of Unison completing its run out of its TennCare line of business.

Success of Fraud Detection and Prevention

The Office of Inspector General (OIG) was established 5 1/2 years ago (July 1, 2004). The mission of the OIG is: *To identify, investigate, and prosecute persons who commit fraud or abuse against the TennCare program.* The OIG staff receives case information from a variety of sources including: local law enforcement, the TennCare Bureau, Health Related Boards (HRB), the Department of Human Services (DHS), other state agencies, health care providers, Managed Care Contractors (MCC), and the general public via the OIG web site, fax, written correspondence, and phone calls to the OIG hotline. The statistics for the second quarter of the 2009 - 2010 fiscal year are as follows:

***NOTE**: Included are the fiscal year totals (FYT) and the grand totals to date -- since the OIG was created (July 2004)*

Summary of Enrollee Cases

	Quarter	FYT	Grand Total
Cases Received	**1,772**	**3,611**	**124,599**
Cases Closed*	**1,287**	**2,979**	**121,331**

***Cases are closed when there is inadequate information provided to investigate the complaint, the information has been researched and determined to be unfounded, the case was referred to another agency (as per appropriate jurisdiction), or prosecuted by the OIG and closed.*

Summary of Enrollee Abuse Cases

	Quarter	Grand Total [2]
Abuse Cases Received	**1,139**	**55,478**
Abuse Cases Closed	**961**	**16,863**
Abuse Cases Referred [1]	**178**	**39,462**

[1] Abuse cases may be referred to the appropriate Managed Care Organization (MCO), the TennCare Bureau, or DHS for further review.

[2] Totals are for the last 42 months (fourteenth quarterly report)

Summary of Provider Cases

	Quarter	FYT	Grand Total
Cases opened	**21**	**78**	**1,393**
Cases closed	**26**	**45**	**1,107**
Cases referred to TBI*	**9**	**11**	**178**
Cases referred to HRBs**	**1**	**2**	**102**
Cases referred to*** Provider Fraud Task Force	**9**	**14**	**14**

***The OIG refers **provider cases** to the TBI Medicaid Fraud Unit (as per state and federal law) and assists with these investigations as requested.*
***Health Related Boards*
****Provider Fraud Task Force – this group is made up of representatives of the Attorney General's Office, the TennCare Bureau, the Tennessee Bureau of Investigation, and the OIG; OIG's participation began during the 4th quarter of FY 2008-2009.*

Summary of Arrests & Convictions

	Quarter	FYT	Grand Total
Arrests	**49**	**175**	**1,098**
Convictions	**26**	**57**	**532**
Diversions*	**11**	**30**	**210**

Note: *Special Agents were in the field making arrests effective February 2005.*
***Judicial Diversion**: A guilty plea or verdict subject to expungement following successful completion of probation. Tennessee Code Annotated § 40-35-313*
***Pre-trial Diversion**: Prosecution was suspended and if probation is successfully completed, the charge will be dismissed. Tennessee Code Annotated § 40-15-105*

Court Fines & Costs Imposed

	QUARTER	FYT	GRAND TOTAL
Fines	**$14,070.00**	**$50,680.50**	**$307,152.00**
Court Costs & Taxes	**$584.00**	**$14,769.38**	**$107,892.71**
Restitution (ordered)	**$4,967.03**	**$95,991.30**	**$1,521,655.74**
Drug Funds	**$871.00**	**$1,898.00**	**$43,367.00**

The OIG aggressively pursues enrollees who have apparently committed fraud or abuse against the TennCare program. The primary criminal case types are: drug cases (drug diversion, drug seekers, doctor shopping, and forging prescriptions), reporting a false income, access to other insurance, and ineligible individuals using a TennCare card.

Arrest Categories

Drug Diversion/Forgery RX	376
Drug Diversion/Sale RX	399
Access to Insurance	55
Doctor Shopping	90
Operation Falcon III	32
Operation Falcon IV	16
False Income	50
Ineligible Person Using Card	17
Living Out Of State	13
Asset Diversion	7
Theft of Services	11
ID Theft	29
Aiding & Abetting	3
GRAND TOTAL	**1,098**

TennCare Case Referrals & Recoupments

	Quarter	FYT	Grand Total
Recoupment [1]	**$58,917.15**	**$149,560.46**	**$1,538,842.43**
Civil Case Recoupment [2]	**$47,222.09**	**$94,608.38**	**$529,757.98**
Recommended TennCare Terminations [3]	**128**	**226**	**48,888**
Potential Savings [4]	**$468,017.92**	**$826,341.20**	**$172,061,647.70**

Footnotes for the *TennCare Case Referrals and Recoupments* table

1 The total in the last column reflects dollars collected by the OIG and sent to the TennCare Bureau from February 15, 2005, (when a Fiscal Manager and an attorney joined the OIG staff to facilitate and document this process) through December 31, 2009.

2 Grand Total is based on recoupment tracked by the OIG Legal Division since FY 2006.

3 Enrollee recommendations sent to the TennCare Bureau for consideration based on information received by the OIG.

4 There were 128 enrollee terminations *recommended* by the OIG to the TennCare Bureau for their review during the first quarter. The TennCare Bureau uses $3,656.39 as the average annual cost per enrollee for MCO, Pharmacy, BHO, and Dental services (***effective FY 08-09***). [**NOTE**: Prior reports reflect $3,351.96, as the average annual cost per enrollee.]

Investigative Sources

	Quarter	FYT	Grand Total
OIG Hot Line	745	1,663	22,546
OIG Mail Tips	126	196	3,551
OIG Web Site	197	447	7,562
OIG Email Tips	272	487	3,513

Other Investigative Sources for this Quarter

- Fax: 223
- Cash for Tips (pending): 9

Case types for this Quarter (sample)

- Drug Diversion: 328
- Drug Seeker: 96
- Income/Other Assets: 268
- Using Another Person's Card: 25
- Out of State: 89
- Transfer of Assets: 6
- Abusing ER: 38
- Dr. Shopping: 266
- Other Insurance: 134

The Office of Inspector General participated in the following activities during the second quarter:

Meetings with Law Enforcement Officials and other State Agencies

*Various Judicial Task Forces, District Attorneys, Sheriffs, and Chiefs of Police
*Provider Fraud Task Force meeting at the TennCare Bureau
*TBI Drug Diversion Task Force
*Middle Tennessee Law Enforcement Committee (in Brentwood)
*FBI National Academy Graduates – Meeting in Nashville
*MCC Roundtable
*Nursing Home Meeting with the TennCare Bureau and Mental Health
*FBI National Academy Training in Collierville
*Meetings at DHS offices in Rutherford, Williamson, and Maury Counties to discuss TennCare fraud and how we can assist each other on investigations.

Media

*Interview – Channel 5 news (Nashville)
*Electronic and print media throughout the State of Tennessee reported the arrests and convictions of the OIG

Training

*Leadership Nashville
*Leadership Franklin
*Tennessee Government Executive Institute
*POST certified training for all commissioned personnel
*OIG personnel attended various Edison classes
*Legal training for OIG Attorneys at the DA's Conference in Chattanooga

Other OIG activities:

*Inspector General Deborah Faulkner is participating in the 2009–2010 *Leadership Franklin* class.

*Deputy Inspector General David Griswold (CID) is participating in the 2009 – 2010 *Leadership Nashville* class and graduated from the *Tennessee Government Executive Institute* (TGEI) in December.

*Currently the OIG has 19 fewer positions than the original staffing level:

3 employees took the Voluntary Buyout in 2008
8 positions have been eliminated
8 are currently vacant – 6 of these positions will be eliminated in the 2011 budget
3 employees were transferred to another State agency

. *The OIG had 1 Special Agent on light duty and one on maternity leave. They returned to work at the end of the second quarter.

*Training continued for OIG personnel during this quarter. The Special Agents finished their annual In-Service training that includes POST required courses, instruction regarding new policies and procedures, firearm qualification, and a legal update on new laws and judicial rulings.

*CEU training was completed for OIG "professional" staff members, i.e. attorneys, an accountant, registered nurses, and information technology personnel. The attorneys attended the District Attorney's Conference during this quarter.

*The Inspector General, the Deputy Inspector General over Criminal Investigations, and all of the Special Agents have continued to make visits to various Tennessee counties. In each jurisdiction visited, there is planned meeting with the Sheriff, Chief of Police, and members of the Drug Task Force. The goal is to continue to solidify the collaboration between local law enforcement and the OIG. More visits are planned for the next quarter.

*The *Doctor Shopping* legislation (approved by the Governor and the General Assembly, June 2007) has generated 90 arrests as of this writing for Doctor Shopping. The OIG continues to mail letters and posters and provide presentations to notify licensed medical providers and law enforcement agencies in the state about this new law. As a result, positive feedback has been received.

*Approximately 800 TennCare Fraud and Doctor Shopping posters were mailed to pharmacies in Tennessee with a letter requesting they be posted for their clientele and staff to view.

Plans for next quarter:

a. Continue to exchange information with local, state, and federal government agencies.
b. Provide presentations and training for interested parties regarding TennCare fraud and the role of the OIG.
c. Continue staff training and develop best practices.
d. Continue to track the *Tips for Cash* incentive program regarding information that leads to a successful arrest and conviction for TennCare fraud. This program is a result of legislation from the 104th General Assembly.

e. Continue using the Doctor Shopping Law on investigations regarding suspected chronic abusers of the TennCare program.

f. The OIG will continue to participate as an active member of the TennCare Provider Fraud Task Force with other members including the Attorney General's Office, the TennCare Bureau, and the Tennessee Bureau of Investigation.