TennCare Quarterly Report

Submitted to the TennCare Oversight Committee, The Fiscal Review Committee, and Members of the General Assembly

January 14, 2011

Status of TennCare Reforms and Improvements

Amendment #11. Waiver Amendment #11, submitted by the Bureau of TennCare to the Centers for Medicare and Medicaid Services (CMS) on July 21, 2010, was approved on December 16, 2010. Amendment #11 expanded the Public Hospital Supplemental Payment (PHSP) pool from $50 million to $70 million and added Nashville General Hospital as a participant. (The Regional Medical Center in Memphis had already been identified as a participant as of July 2010.) The state contribution to the pool consisted of funds supplied by Shelby and Davidson Counties. In December, the Bureau of TennCare completed its disbursements of funds out of the PHSP pool to the Regional Medical Center and Nashville General Hospital.

Standard Spend Down. The TennCare Standard Spend Down (SSD) eligibility category opened to new enrollment on October 4, 2010. Standard Spend Down is available through an amendment to the TennCare waiver and is designed to serve a limited number of persons who are not otherwise eligible for Medicaid but who are aged, blind, disabled, or the caretaker relative of a Medicaid eligible child and who have enough unreimbursed medical bills to allow them to "spend down" to a low threshold.

During the October open enrollment period, the Department of Human Services (DHS) received 2,835 calls in just over one hour. There were 2,665 callers who were not already covered by TennCare and who were invited to apply for SSD. In response to 2,665 invitations mailed out by DHS, 1,821 individuals submitted applications. As of December 28, 2010, there had been 367 SSD approvals, 882 denials, 291 applications pending for a medical review, and 281 applications still being processed.

Those approved are eligible for TennCare for one year before having to be reverified for continued eligibility. TennCare and DHS plan to open the SSD call-in line to an additional 2,500 callers during the first quarter of 2011.

CHOICES program. The Long-Term Care Community CHOICES Act of 2008 provided the framework that allowed the State to restructure the long-term care service delivery system, and the two-phased implementation was complete in August 2010. A primary goal of the CHOICES program is to rebalance the long-term care service delivery system by increasing home and community based options that are available to meet the needs of adults who are elderly or who have physical disabilities. In November 2010, the rules regarding the establishment of Adult Care Homes were issued, thereby providing

structure for a new and innovative method of delivering community based long-term care services for adults who are ventilator dependent or who have a traumatic brain injury.

Recognition of CHOICES. A report published by the non-profit organization Center for Health Care Strategies (CHCS) identifies CHOICES as one of five Medicaid long-term care programs "with demonstrated expertise in managed care approaches for individuals with long-term care needs."[1] The report, entitled "Profiles of State Innovation: Roadmap for Managing Long-Term Supports and Services," lauds not just the program's forward-thinking approach to the delivery of long-term care services, but also the successful consensus building strategies used by Tennessee to get the program off the ground. Examples of such strategies highlighted by CHCS are:

- Establishing a "long-term vision" for CHOICES around which support could be built
- Working with patient advocates, providers, and Managed Care Organizations in the planning stages to ensure that their ideas were integrated into CHOICES
- Communicating the priorities of the program to the public through the Long-Term Care Community Choices Act of 2008

According to the authors of the report, the program's innovative approach to long-term care sets the standard for integrating services and making the most of existing infrastructure (TennCare's managed care network, the Area Agencies on Aging and Disability, etc.). The report is available at http://www.chcs.org/publications3960/publications_show.htm?doc_id=1261187.

Tennessee Hospital Association (THA) award. On October 6, 2010, THA presented a Community Service Award for Public Service to TennCare Director Darin Gordon. The award recognized Director Gordon's ongoing support for hospitals in Tennessee, including his assistance in the development of the hospital assessment fee that enabled the State to postpone planned TennCare reductions in the current fiscal year. THA also recognized Director Gordon's efforts in working with THA and the State's Congressional delegation to expand Tennessee's disproportionate share hospital (DSH) payment.

Recognition of TennCare. On November 30, 2010, the Tennessee Breast and Cervical Screening Program (TBCSP) acknowledged TennCare's efforts "to develop a quality screening, diagnostic, and treatment program for Tennessee's women." TBCSP, a program administered by the Tennessee Department of Health, noted that TennCare's work had played a crucial role in the diagnosis of breast cancer in 905 women and cervical cancer abnormalities in 2,275 women over a period of eight years.

EHR provider incentive program. Tennessee's Electronic Health Record (EHR) Incentive Program reached an important milestone this quarter when CMS approved TennCare's Implementation Advance Planning Document (IAPD) and State Medicaid Health Information Technology Plan (SMHP) on October 13, 2010.

The EHR Incentive Program provides cash grants to Medicare and Medicaid providers to demonstrate "meaningful use" (i.e., use that is measurable in both quantity and quality) of electronic health record technology. TennCare administers Tennessee's Medicaid EHR program, 90 percent of the funding for which is provided by the federal government. To guarantee this level of Federal Financial Participation, though, TennCare had to submit:

[1] A. Lind, S. Gore, L. Barnette, S. Somers. *Profiles of State Innovation: Roadmap for Managing Long-Term Supports and Services.* Center for Health Care Strategies, November 2010.

- A proposal requesting the funding and explaining how it would be used (the IAPD)
- A description of Tennessee's current use of health information technology, a vision for its future use, and a roadmap connecting the two (the SMHP)

Tennessee became only the second state in the country to gain CMS approval of both documents and one of only eleven states to open registration to providers on January 3, 2011. Additional information is located on TennCare's website at http://www.tn.gov/tenncare/hitech.html.

John B. The *John B.* lawsuit addresses the adequacy of services provided by TennCare to children under the age of 21. On March 11, 1998, plaintiffs and defendants in the case entered into a Consent Decree. Following years of continued litigation, the State appealed to the United States Court of Appeals for the Sixth Circuit to vacate the consent decree. Oral arguments concerning this appeal were heard on April 27, 2010.

On November 30, 2010, the Court of Appeals ruled on the State's appeal by vacating the portion of the Consent Decree concerning network adequacy and by remanding the case to the United States District Court for the Middle District of Tennessee to determine whether other portions should be vacated. The Court of Appeals also ordered that the case be reassigned to another judge of the same court.

New Dental Benefits Manager. Following a competitive bidding process in which six companies submitted proposals, TennCare named Delta Dental as its new Dental Benefits Manager (DBM). Delta was awarded a three-year contract with TennCare, beginning operations on October 1. Delta Dental replaces DentaQuest as TennCare's DBM and delivers services to enrollees under the program name "TennDent."

Estimates made by TennCare at the end of November indicate that enrollees have good access to dental care through TennDent. The ratio of eligible enrollees to dental providers is 653 to 1. The current provider network includes 620 general dentists, 100 pediatric dentists, 101 oral surgeons, 78 orthodontists, 11 endodontists, and 1 prosthodontist.

AmeriChoice name change. Unitedhealthcare Plan of the River Valley (d/b/a/ "AmeriChoice") is a wholly-owned subsidiary of UnitedHealth Group, Inc. AmeriChoice is contracted with the Bureau of TennCare as a Managed Care Organization (MCO) serving TennCare enrollees in East, Middle, and West Tennessee. Effective January 1, 2011, AmeriChoice's name was to be changed to UnitedHealthcare Community Plan. According to a November 4 letter from the MCO, this change "deliver[s] a consistent, positive experience for members, while recognizing the importance of clear identification and ease of processing claims." UnitedHealthcare Community Plan began updating member materials in October and November 2010, and enrollees assigned to the MCO will not experience any change in benefits and can continue to contact the plan at the same toll-free number, 1-800-690-1606.

Provider Investigations Unit. In September 2010, TennCare created a unit dedicated to investigating instances of potential provider fraud, waste, and abuse. The stated mission of the Provider Investigations Unit, a component of TennCare's Division of Audit and Program Integrity, is to "monitor provider claims to ensure that they are reasonable, appropriate and comply with TennCare Rules and Policies." Using data about unusual provider claims furnished by managed care contractors, providers, and other internal and external sources, the unit investigates cases as thoroughly as possible before presenting its findings to a committee staffed by members of TennCare, the Tennessee Bureau of

Investigation (TBI), the Attorney General's Office, and others. The committee, in turn, determines whether fraud, waste, or abuse has occurred and recommends appropriate action (e.g., education and recoupment, prosecution, etc.).

Subrogation. As part of its ongoing program to recover monies from injury lawsuits involving medical expenses paid by the State, TennCare added a "Subrogation" section to its website. Located at http://www.tn.gov/tenncare/subrogation.html, the web page outlines the legal basis for TennCare's recovery efforts, provides contact information for the subrogation specialists representing TennCare and its MCOs, and offers a checklist of information required by TennCare to calculate its subrogation interest in each lawsuit.

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 ($34,220,000 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 Essential Access Hospital payments for the second quarter of State Fiscal Year 2011 are shown in the table below.

Essential Access Hospital Payments for the Quarter

Hospital Name	County	EAH Second Quarter FY 2011
Regional Medical Center at Memphis	Shelby County	$4,009,617
Vanderbilt University Hospital	Davidson County	$3,067,589
Erlanger Medical Center	Hamilton County	$1,780,356
Johnson City Medical Center (with Woodridge)	Washington County	$1,384,124
University of Tennessee Memorial Hospital	Knox County	$1,296,650
Metro Nashville General Hospital	Davidson County	$961,664
Methodist Healthcare - LeBonheur	Shelby County	$820,482
Jackson - Madison County General Hospital	Madison County	$688,452
Parkridge Medical Center (with Parkridge Valley)	Hamilton County	$522,457
Parkwest Medical Center (with Peninsula)	Knox County	$454,815

Hospital Name	County	EAH Second Quarter FY 2011
East Tennessee Children's Hospital	Knox County	$429,518
Methodist Healthcare - South	Shelby County	$404,138
Methodist University Healthcare	Shelby County	$387,060
Saint Jude Children's Research Hospital	Shelby County	$352,695
Saint Francis Hospital	Shelby County	$328,181
Pathways of Tennessee	Madison County	$276,395
Centennial Medical Center	Davidson County	$274,168
Skyline Medical Center (with Madison Campus)	Davidson County	$270,033
Saint Mary's Medical Center	Knox County	$267,131
Wellmont Holston Valley Medical Center	Sullivan County	$262,705
Fort Sanders Regional Medical Center	Knox County	$238,557
Maury Regional Hospital	Maury County	$236,319
Delta Medical Center	Shelby County	$209,250
Methodist Healthcare - North	Shelby County	$206,703
University Medical Center	Wilson County	$188,755
Baptist Hospital	Davidson County	$188,255
Skyridge Medical Center	Bradley County	$185,869
Middle Tennessee Medical Center	Rutherford County	$183,636
Parkridge East Hospital	Hamilton County	$183,021
Wellmont Bristol Regional Medical Center	Sullivan County	$179,553
Gateway Medical Center	Montgomery County	$174,120
Ridgeview Psychiatric Hospital and Center	Anderson County	$167,170
Cookeville Regional Medical Center	Putnam County	$166,508
NorthCrest Medical Center	Robertson County	$143,910
Baptist Memorial Hospital for Women	Shelby County	$142,695
Morristown - Hamblen Healthcare System	Hamblen County	$139,895
Fort Sanders Sevier Medical Center	Sevier County	$136,799
Summit Medical Center	Davidson County	$131,063
Dyersburg Regional Medical Center	Dyer County	$123,666
Sumner Regional Medical Center	Sumner County	$119,710
Southern Hills Medical Center	Davidson County	$111,650
Jellico Community Hospital	Campbell County	$108,451
Methodist Medical Center of Oak Ridge	Anderson County	$107,004
Sweetwater Hospital Association	Monroe County	$106,809
Blount Memorial Hospital	Blount County	$100,556
Horizon Medical Center	Dickson County	$99,871
Saint Mary's Medical Center of Campbell County	Campbell County	$98,325
StoneCrest Medical Center	Rutherford County	$98,117

Hospital Name	County	EAH Second Quarter FY 2011
Baptist Hospital of Cocke County	Cocke County	$97,099
Baptist Memorial Hospital - Tipton	Tipton County	$89,181
Bolivar General Hospital	Hardeman County	$88,946
Hardin Medical Center	Hardin County	$88,035
Wellmont Hawkins County Memorial Hospital	Hawkins County	$84,053
Jamestown Regional Medical Center	Fentress County	$81,880
Humboldt General Hospital	Gibson County	$81,204
Sycamore Shoals Hospital	Carter County	$77,754
Henry County Medical Center	Henry County	$77,005
Regional Hospital of Jackson	Madison County	$76,327
Cumberland Medical Center	Cumberland County	$75,812
Harton Regional Medical Center	Coffee County	$73,940
North Side Hospital	Washington County	$72,680
Roane Medical Center	Roane County	$68,612
Grandview Medical Center	Marion County	$68,417
Lakeway Regional Hospital	Hamblen County	$67,251
United Regional Medical Center	Coffee County	$66,559
Southern Tennessee Medical Center	Franklin County	$65,883
Heritage Medical Center	Bedford County	$64,622
Erlanger North Hospital	Hamilton County	$61,778
Baptist Memorial Hospital - Union City	Obion County	$59,148
Saint Mary's Jefferson Memorial Hospital, Inc.	Jefferson County	$58,448
Athens Regional Medical Center	McMinn County	$57,461
Takoma Regional Hospital	Greene County	$57,178
River Park Hospital	Warren County	$57,155
Community Behavioral Health	Shelby County	$56,435
Lincoln Medical Center	Lincoln County	$55,838
Skyridge Medical Center - West	Bradley County	$54,588
Haywood Park Community Hospital	Haywood County	$47,381
Crockett Hospital	Lawrence County	$46,715
Livingston Regional Hospital	Overton County	$45,675
Claiborne County Hospital	Claiborne County	$41,081
Volunteer Community Hospital	Weakley County	$40,500
Hillside Hospital	Giles County	$35,017
Riverview Regional Medical Center - North	Smith County	$34,250
Gibson General Hospital	Gibson County	$32,322
Wayne Medical Center	Wayne County	$30,648
Methodist Healthcare - Fayette	Fayette County	$30,247
McKenzie Regional Hospital	Carroll County	$24,170
White County Community Hospital	White County	$22,606

Hospital Name	County	EAH Second Quarter FY 2011
Baptist Memorial Hospital - Huntingdon	Carroll County	$21,835
Portland Medical Center	Sumner County	$19,242
Emerald Hodgson Hospital	Franklin County	$15,358
Johnson City Specialty Hospital	Washington County	$15,197
TOTAL		$25,000,000

Reverification Status

The eligibility of TennCare enrollees continues to be redetermined in accordance with TennCare's rules and policies.

Status of Filling Top Leadership Positions in the Bureau

The following top leadership position was filled during the last quarter:

Nathan Stremming was appointed December 22, 2010, to serve as Director of Long-Term Care Business Analysis and Process Improvement. Mr. Stremming is responsible for the analysis and improvement of several key areas in the Division of Long-Term Care, including the enrollment and medical eligibility processes. In this role, he will develop standards and establish benchmarks to foster a customer service-driven environment in which the client's needs are met timely and efficiently. Mr. Stremming has extensive private sector experience in business analysis and process improvement, as well as relevant experience as an insurance consultant. Mr. Stremming is a graduate of the University of Tennessee, Knoxville, with a Bachelor of Arts Degree in Economics.

Number of Recipients on TennCare and Costs to the State

At the end of the period October 1, 2010, through December 31, 2010, there were 1,162,194 Medicaid eligibles and 29,310 Demonstration eligibles enrolled in TennCare, for a total of 1,191,504 persons.

Estimates of TennCare spending for the second quarter are summarized in the table below.

	2nd Quarter*
Spending on MCO services**	$1,235,445,000
Spending on dental services	$41,451,000
Spending on pharmacy services	$172,542,000
Medicare "clawback"***	$50,124,000

**These figures are cash basis as of December 31 and are unaudited.*

***This figure includes Integrated Managed Care MCO expenditures.*

****The Medicare Part D clawback is money states pay to the federal government to help offset costs the federal government incurs by covering the prescription benefit for enrollees who have both Medicare and Medicaid.*

Viability of MCCs in the TennCare Program

Claims payment analysis. TennCare's prompt pay requirements may be summarized as shown below.

Entity	Standard	Authority
MCOs	90% of clean claims for payment for services delivered to TennCare enrollees are paid within 30 calendar days of the receipt of such claims.	T.C.A . § 56-32-126(b)
MCOs	99.5% of all provider claims are processed, and, if appropriate, paid within 60 calendar days of receipt.	T.C.A . § 56-32-126(b)
MCOs (CHOICES services)	90% of clean electronically submitted Nursing Facility and applicable Home and Community Based Services claims[2] are processed and paid with 14 calendar days of receipt. 99.5% of clean electronically submitted Nursing Facility and applicable Home and Community Based Services claims[3] are processed and paid within 21 calendar days of receipt.	TennCare contract
DBM	90% of clean claims for payment for services delivered to TennCare enrollees are processed, and, if appropriate, paid within 30 calendar days of the receipt of such claims.	TennCare contract and in accordance with T.C.A . § 56-32-126(b)
DBM	99.5% of all provider claims are processed, and, if	TennCare contract

[2] Excludes Personal Emergency Response Systems (PERS), assistive technology, minor home modifications, and pest control claims. Claims for delivery of these services are handled like general MCO claims.

[3] Ibid.

Entity	Standard	Authority
	appropriate, paid within 60 calendar days of receipt.	and in accordance with T.C.A . § 56-32-126(b)
PBM	100% of all clean claims submitted by pharmacy providers are paid within 10 calendar days of receipt.	TennCare contract

The MCOs, the DBM,[4] 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 statutory and contractual 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 are required to identify separately non-emergency transportation (NEMT) claims in the data files. Finally, the MCOs are required to submit separate claims data files representing a subset of electronically submitted NF and applicable HCBS claims for the CHOICES enrollees. TDCI then performs an analysis and reports the results of the prompt pay analyses by NEMT and CHOICES claim types, by subcontractor, by TennCare contract and by total claims processed for the month.

If an MCO 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.

Net worth requirement. By statute, the minimum net worth requirement for each TennCare MCO 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, 2009. The TennCare Contract further requires the TennCare MCOs to establish an enhanced net worth based on projected additional annual premiums for the CHOICES program. During this quarter, the MCOs submitted their NAIC Third Quarter 2010 Financial Statement. As of September 30, 2010, TennCare MCOs reported net worth as indicated in the table below.

	Net Worth Requirement	Reported Net Worth	Excess/ (Deficiency)
AMERIGROUP Tennessee	$16,133,399	$138,621,774	$122,488,375
UnitedHealthcare Plan of the River Valley (AmeriChoice)	$51,414,330[5]	$364,754,714	$313,340,384
Volunteer State Health Plan (BlueCare & TennCare Select)	$34,651,682[6]	$85,608,043	$50,956,361

[4] Since Delta Dental did not begin operations until October 1, 2010, the previous DBM's compliance with prompt pay requirements continues to be analyzed during its claims run-out period.

[5] The increase in AmeriChoice's net worth requirement from $43,370,119 in the previous quarter is attributable to the enhanced requirements stemming from the August implementation of CHOICES in East and West Tennessee.

[6] Volunteer State Health Plan's net worth requirement increased from $28,764,984 in the previous quarter for the same reason AmeriChoice's did. (See footnote 5.)

All TennCare MCOs met their minimum net worth requirements as of September 30, 2010.

Success of Fraud Detection and Prevention

The Office of Inspector General (OIG) was established six 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 (MCCs), 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 2010 - 2011 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	1,475	3,163	131,430
Cases Closed*	1,262	2,619	126,764

**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
Abuse Cases Received	1,130	60,260
Abuse Cases Closed	897	20,554
Abuse Cases Referred **	233	40,344

**Totals are for the last 54 months (18th quarterly report)*

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

Summary of Provider Cases

	Quarter	FYT	Grand Total
Cases Received	11	51	1,633
Cases referred to TBI* as part of the Provider Fraud Task Force	0	5	233
Cases referred to HRBs**	6	27	157

The OIG refers **provider cases to the TBI Medicaid Fraud Unit (as per state and federal law) and assists with these investigations as requested. **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.*

***Health Related Boards*

Summary of Arrests & Convictions

	Quarter	FYT	Grand Total
Arrests	55	98	1,335
Convictions	34	74	704
Diversions*	8	24	262

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	$34,860.00	$67,780.00	$427,812.00
Court Costs & Taxes	$5,936.50	$17,003.92	$154,417.73
Restitution (ordered)	$46,407.74	$54,233.12	$1,697,734.67
Drug Funds/Forfeitures	$670.50	$10,573.50	$405,674.40

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

Category	Number
Drug Diversion/Forgery RX	440
Drug Diversion/Sale RX	524
Doctor Shopping	119
Access to Insurance	55
Operation Falcon III	32
Operation Falcon IV	16
False Income	66
Ineligible Person Using Card	19
Living Out Of State	13
Asset Diversion	7
ID Theft	39
Aiding & Abetting	3
Failure to Appear in Court	2
GRAND TOTAL	**1,335**

OIG Case Recoupment & Recommendations

	Quarter	FYT	Grand Total
Recoupment	$37,325.43	$78,507.21	$1,987,906.48[7]
Recommended TennCare Terminations [8]	28	69	49,268
Potential Savings	$102,378.92[9]	$252,290.91	$173,301,163.91

Investigative Sources

	Quarter	FYT	Grand Total
OIG Hot Line	825	1,771	26,163
OIG Mail Tips	40	89	3,785
OIG Web Site	187	403	8,412
OIG Email Tips	220	449	4,486

Case Types for this Quarter (*sample*)

Drug Diversion……	249
Drug Seeker ……..	96
Income/Other Assets …….	183
Living Out of State……	83
Using Another Person's Card	21
Transfer of Assets……	1
Abusing ER……	30
Doctor Shopping……	238
Other insurance……	142

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

[7] 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, 2010.

[8] Enrollee recommendations sent to the TennCare Bureau for consideration based on information received and reviewed by the OIG.

[9] There were 28 *recommended* enrollee terminations by the OIG to the TennCare Bureau for their review during the second quarter. The TennCare Bureau uses $3,656.39 as the average annual cost per enrollee for MCO, pharmacy, behavioral health, and dental services ***(effective FY 08-09***).

- TBI Drug Diversion Task Force
- Middle Tennessee Law Enforcement Committee (in Brentwood)
- FBI National Academy Graduates
- MCC Roundtable
- East Tennessee Drug Diversion Task Force Meeting – Chattanooga
- Nursing Home Task Force

Media

- Electronic and print media throughout the State of Tennessee reported the arrests and convictions of the OIG.

Training

- Leadership Nashville Co-Chair for Criminal Justice Day
- Leadership Franklin Co-Chair for Criminal Justice Day
- Leadership Marshall County -- Participation
- Presentation given to the staff of the Jackson-Madison County General Hospital
- Presentation given to the staff of Northcrest Hospital in Springfield
- ROCIC Training
- Tennessee Government Executive Institute Alumni Meetings
- Tennessee Government Management Institute Alumni Meetings
- FBI National Academy Alumni Meetings
- OIG In-Service Training for all commissioned personnel
- OIG Attorneys, RNs, and CPA attending training sessions for their CEU's

Other OIG Updates & Activities

- Current OIG staffing has 28 fewer positions from the original staffing level. This represents a 41 percent reduction in staffing.
    - 3 employees took the Voluntary Buyout in 2008
    - 8 positions were eliminated in 2009
    - 6 positions were eliminated in the 2011 budget
    - 3 IS employees were transferred to the TennCare Bureau
    - 1 Paralegal transferred to the Department of Health
    - 1 Attorney resigned
    - 2 Special Agents resigned
    - 1 ASA 4 retired
    - 2 additional positions are vacant: ASA 4 and a PHNC 1
    - 1 PHNC 1 retired

- 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 a 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 General Assembly, June 2007) has generated **119 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.

OIG Plans for next quarter:

- Continue to exchange information with local, state, and federal government agencies.
- Provide presentations and training for State and local law enforcement, health care providers, and other interested parties regarding TennCare fraud and the role of the OIG.
- Continue staff training and develop best practices.
- 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.
- Continue using the Doctor Shopping Law on investigations regarding suspected chronic abusers of the TennCare program.
- 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 Medicaid Fraud Control Unit.
- Ensure all policies and procedures are reviewed, revised as needed, and distributed to the OIG staff. Continue inspections of all OIG equipment.