TennCare Quarterly Report

Submitted to the TennCare Oversight Committee and the Fiscal Review Committee

October 15, 2008

Status of TennCare Reforms and Improvements

Amendment #6. During this quarter the Centers for Medicare and Medicaid Services (CMS) approved the state's proposed Amendment #6 to the TennCare waiver.

Amendment #6, originally submitted to CMS on February 29, 2008, was designed to address the dramatic growth in spending on home health and private duty nursing for adults in the TennCare program. As discussed in a number of legislative hearings during the last session, total spending on these two services had grown from $54 million in FY 04 to $243 million in FY 07 and was projected to grow to $320 million in FY 08. There were no limits on these two benefits other than medical necessity.

Under Amendment #6, certain limits on home health and private duty nursing for adults were introduced.

- **Home health.** Enrollees can get as much as one nursing visit and two home health aide visits per day, as long as the combined total number of hours involved in these visits does not exceed 8 hours per day and 35 hours per week, with up to 40 hours per week allowed in some situations. These limits can be exceeded when medically necessary for children under 21.

- **Private duty nursing.** This service is to be provided for children under 21 as medically necessary and for adults requiring more than 8 hours of continuous care per day as medically necessary to support the use of ventilator equipment or other life-sustaining medical technology when constant nursing supervision, visual assessment, and monitoring of both equipment and patient are required.

An additional factor to be considered in applying these limits is the statutory and regulatory definition of "medical necessity." Under Tennessee Rule 1200-13-16-.04(1), there are five criteria that must be met in order for a medical item or service to be considered "medically necessary." One of these criteria is that the service must be the least costly alternative course of diagnosis or treatment that is adequate for the enrollee's medical condition.

Even with these new limits, the home health and private duty nursing benefits are still among the most generous for state Medicaid programs. CMS approved Amendment #6 on July 22, 2008. TennCare immediately began the process of mailing notices to enrollees to inform them that the changes would take effect on September 8, 2008.

TennCare had already initiated a good deal of work with MCOs to identify the persons who would be most affected by these changes and to develop alternative plans of care when appropriate.

TennCare went forward with the implementation of the benefit limits on September 8, 2009, as planned.

On September 23, 2008, a lawsuit called *Crabtree et al. v. Goetz* was filed in federal court. This lawsuit was brought on behalf of 22 TennCare enrollees who asserted that Tennessee's actions in establishing limits on home nursing services violate the Americans with Disabilities Act. A hearing on the lawsuit is scheduled for November 2008.

Amendment #7. Prior to the beginning of the quarter, the General Assembly passed the "Long-Term Care and Community Choices Act of 2008." This Act called for a transformation of the long-term care system in Tennessee, with the goal of expanding home and community-based services that could be used to prevent or forestall the need for Nursing Facility care. During this quarter, TennCare worked on Amendment #7, which was written to identify the portions of the Long-Term Care and Community Choices Act of 2008 that would require federal approval to implement. A concept paper describing the proposed Amendment was submitted to CMS on July 11, 2008.

A draft of the actual Amendment itself was submitted to the TennCare Oversight Committee, the members appointed to the Select Oversight Committee on Long-Term Care, and the Tennessee Justice Center on August 28, 2008 with a request for their comments. In addition, it was posted on the TennCare website so that interested persons could read and comment on it. As of the end of the quarter, TennCare is preparing to submit the formal Amendment #7 to CMS. Since the program is scheduled to start in Middle Tennessee on July 1, 2009, the state is hoping for CMS approval by the end of the calendar year.

Expansion of Home and Community Based Services waiver for persons who are elderly and disabled (HCBS/ED waiver). When Amendment #7 (see above) is implemented, TennCare's current HCBS/ED waiver will terminate, since the services provided now through the HCBS/ED waiver will be provided by the MCOs. However, in the meantime, the state has moved to increase the number of persons who can be served under the HCBS/ED waiver. About 50-55 people are being added each week.

On September 17, 2008, TennCare announced that CMS had approved an expansion of the HCBS/ED waiver to serve 2,300 more people than had previously been allowed. The expansion brings the total capacity of the HCBS/ED waiver to 6,000 persons who meet the criteria for Nursing Facility admission but who can be served cost-effectively in the community with the addition of certain HCBS waiver services.

New MCOs. A good deal of work was done this quarter to prepare for two new MCOs to "go live" in West Tennessee on November 1, 2008. These MCOs are AmeriChoice and BlueCross/BlueShield. Both MCOs were selected through a competitive bidding process in the spring. Specific activities conducted by TennCare during the quarter to assure that the MCOs are ready for the transition have included weekly status calls with the MCOs, weekly reviews of network files to assess progress toward compliance with access standards, and review of a variety of policies and procedures in key areas to

make certain that the MCOs understand the contract requirements and are in compliance. In addition, site visits have been made to both plans.

National MMIS conference. Each year the Medicaid Management Information Systems (MMIS) Conference brings together persons from the public and private sectors to share ideas and information about Medicaid systems and initiatives. This year the conference was held in Nashville, from September 14 to September 18. It was the largest to date, attracting over 850 attendees from all over the country. Tennessee presenters included Commissioner Dave Goetz, TennCare Medical Director Dr. Wendy Long, TennCare Director of Information Systems Brent Antony, and TennCare Project Managers Eric Fowlie and Jackie Phan.

TennCare Annual Report. TennCare's Annual Report for SFY 06-07 was completed during this quarter and posted on the TennCare website. Among the topics discussed are the dramatic reduction in the growth of pharmacy spending that occurred with the implementation of prescription limits for adults and the success of the Bureau in substantially reducing audit findings.

Essential Access Hospital 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 first quarter of State Fiscal Year 2009 are shown in the following table.

	FY 2009
Name of Hospital	**1st Qtr. EAH**
Regional Medical Center (The Med)	$4,108,572
Vanderbilt University Hospital	$3,572,752
Erlanger Medical Center	$1,509,743
East Tennessee Children's Hospital	$1,250,000
University of Tennessee Memorial Hospital	$1,244,385
Johnson City Medical Center Hospital - Revised	$1,163,559
Metro Nashville General Hospital	$900,988
Parkridge East Hospital - Revised	$747,569
Jackson Madison County General Hospital	$595,786

	FY 2009
Name of Hospital	**1st Qtr. EAH**
Methodist University Healthcare	$359,646
University Medical Center	$344,675
Fort Sanders Parkwest Medical Center - Revised	$339,605
Pathways of Tennessee	$322,539
Wellmont Holston Valley Medical Center	$315,922
Saint Francis Hospital	$310,373
Fort Sanders Regional Medical Center	$300,671
Saint Jude Children's Research	$294,271
Centennial Medical Center	$254,788
Wellmont Bristol Regional Medical Center	$211,668
Tennessee Christian Medical Center	$209,788
Saint Mary's Health System	$202,334
Methodist Healthcare - South	$198,422
Indian Path Medical Center - Revised	$191,659
Delta Medical Center	$189,528
Baptist Hospital of Cocke County	$177,472
Ridgeview Psychiatric Hospital and Center	$177,461
Middle Tennessee Medical Center	$174,806
Baptist Hospital	$173,442
Methodist Healthcare - North	$164,139
Dyersburg Regional Medical Center	$158,092
Baptist Memorial Hospital for Women	$154,038
Cookeville Regional Medical Center	$153,325
Morristown Hamblen Healthcare System	$152,923
Maury Regional Hospital	$150,557
Blount Memorial Hospital	$135,949
Bradley Memorial Hospital	$135,038
Sumner Regional Medical Center	$128,717
Gateway Medical Center	$128,521
Northcrest Medical Center	$125,116
Sweetwater Hospital Association	$117,888
Summit Medical Center	$117,147
Baptist Memorial Hospital - Tipton	$115,824
Cumberland Medical Center	$115,413
Fort Sanders Sevier Medical Center	$114,075
Southern Hills Medical Center	$110,751
Claiborne County Hospital	$108,061
Methodist Medical Center of Oak Ridge	$107,965
Jamestown Regional Medical Center	$100,817
Humboldt General Hospital	$97,924
Cleveland Community Hospital	$97,073
Regional Hospital of Jackson	$95,601
Skyline Medical Center	$94,064
St. Mary's Medical Center of Campbell County	$90,708

	FY 2009
Name of Hospital	**1st Qtr. EAH**
Henry County Medical Center	$86,538
Stonecrest Medical Center	$85,071
Horizon Medical Center	$85,001
Hardin County General Hospital	$83,691
Jellico Community Hospital	$79,611
Sycamore Shoals Hospital	$78,930
Southern Tennessee Medical Center	$76,059
Lakeway Regional Hospital	$71,117
Laughlin Memorial Hospital	$68,407
Parkridge Medical Center	$68,183
Crockett Hospital	$67,787
Hillside Hospital	$64,664
Athens Regional Medical Center	$63,318
Grandview Medical Center	$60,487
River Park Hospital	$59,805
Bolivar General Hospital	$59,322
Bedford County Medical Center	$59,000
Takoma Adventist Hospital	$55,622
Scott County Hospital	$52,485
United Regional Medical Center	$48,278
Lincoln Medical Center	$47,727
McKenzie Regional Hospital	$47,503
Wellmont Hawkins County Memorial Hospital	$47,309
Methodist Healthcare - Fayette	$44,186
Volunteer Community Hospital	$40,954
Roane Medical Center	$40,830
McNairy Regional Hospital	$38,464
Unicoi County Memorial Hospital	$38,337
Livingston Regional Hospital	$37,297
Cumberland River Hospital	$36,080
Haywood Park Community Hospital	$33,517
Baptist Memorial Hospital - Huntingdon	$31,939
Baptist Dekalb Hospital	$29,100
Decatur County General Hospital	$27,939
Gibson General Hospital	$27,690
Tennessee Christian Medical Center - Portland	$24,985
Henderson County Community Hospital	$24,007
Wayne Medical Center	$23,450
White County Community Hospital	$20,658
Emerald Hodgson Hospital	$19,714
Women's East Pavilion	$13,611
Johnson City Specialty Hospital	$13,423
Baptist Treatment Center of Murfreesboro	$3,541
Baptist Women's Treatment Center	$2,213

	FY 2009
Name of Hospital	**1st Qtr. EAH**
White County Community Hospital	$20,494
Women's East Pavilion	$13,503
TOTAL	**$25,033,997**

Reverification Status

Work has continued during the quarter on reverifying the eligibility of those non-pregnant Medically Needy adults who have been on TennCare since that category was closed to new enrollment in 2005. These persons were held on TennCare pending approval of the waiver extension, which occurred in October of 2007. The reverification process has been approved by CMS and the Sixth Circuit Court of Appeals.

Once the reverification process for the non-pregnant adult Medically Needy population is complete, our goal is to open the SSD program to new enrollment.

Status of Filling Top Leadership Positions in the Bureau

There were no top leadership positions in the Bureau filled during the quarter.

Number of Recipients on TennCare and Costs to the State

At the end of the period July 1 through September 1, 2008, there were 1,151,916 Medicaid eligibles and 33,432 uninsured/uninsurable persons enrolled in TennCare, for a total of 1,185,348 persons.

Projections of TennCare spending for the first quarter of State Fiscal Year 09 are included in the table below.

	1st Quarter*
Spending on MCO services**	$902,988,900
Spending on BHO services	$73,310,200
Spending on dental services	$39,587,900
Spending on pharmacy services	$170,963,300
Medicare “clawback”	$38,802,400

**These figures are cash basis as of Sept. 30 and are unaudited.*
***This figure includes Integrated Managed Care MCO expenditures.*

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 that the DBM also process claims in accordance with this statutory standard.

TennCare's contract with its Pharmacy Benefits Manager requires that the PBM must pay 95% of all clean claims within 20 calendar days of receipt and the remaining 5% of clean claims within the following 10 calendar days.

To monitor prompt pay compliance, TDCI requests the MCOs, BHOs, DBM and PBM to submit claims data by month on a quarterly basis. If the contractor has not processed claims timely in accordance with statutory and/or contractual requirements, the contractor is required to submit claims data on a monthly basis until it processes claims timely for three consecutive months. If an MCO or BHO does not comply with the prompt pay requirements, 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 determined, and the TennCare Bureau can also assess liquidated damages pursuant to the terms of the TennCare Contract. If the DBM or PBM do not meet their contractual prompt pay requirements, only the TennCare Bureau can assess applicable liquidated damages against these entities.

During the quarter ended September 30, 2008, TDCI requested data files of all processed TennCare claims from all TennCare contractors for the three-month period May, June and July 2008. 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 for the months of May, June, and July 2008 found the following contractors were out of compliance for at least one month:

- Volunteer State Health Plan (BlueCare and TennCare Select) – June and July 2008
- Unison Health Plans – July 2008

As stated above, TDCI requires plans to submit claims data on a monthly basis when non-compliance is determined. Both VSHP and Unison submitted claims data for August 2008.

TDCI's analysis of VSHP's August claims data found that VSHP failed to meet the prompt pay requirements. VSHP did not dispute TDCI's analysis, thus, TDCI will levy administrative penalties against VSHP as described above.

TDCI's analysis of Unison's August claims data found that Unison failed to meet prompt pay requirements. Unison has until October 13, 2008 to dispute this analysis. While Unison agreed to TDCI's determination that it was out of compliance in July 2008, Unison disputes TDCI's authority to levy an administrative penalty for that month. Nonetheless, TDCI intends to levy an administrative penalty against Unison for the July 2008 and August 2008 non-compliance, unless Unison can provide sufficient evidence to contradict the results of TDCI's analyses.

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 ending December 31, 2007, including payments made under the "stabilization plan." On September 1, 2008, the MCOs and BHOs submitted their NAIC Quarterly Financial Statement for the period ended June 30, 2008. As of June 30, 2008, TennCare MCOs/BHOs reported net worth as indicated in the table below.

	Net Worth Requirement	Reported Net Worth	Excess/ (Deficiency)
AMERIGROUP Tennessee [(A)]	15,656,844	30,491,821	14,834,977
UnitedHealthcare Plan of the River Valley (AmeriChoice)	24,300,637	197,171,049	172,870,412
Preferred Health Partnership	6,837,598	37,869,632	31,032,034
UAHC Health Plan	7,226,227	14,850,626	7,624,399
Unison Health Plan	4,950,860	6,518,615	1,567,755
Volunteer (BlueCare & Select)	21,024,621	27,466,215	6,441,594
Premier Behavioral Systems	4,978,291	17,154,948	12,176,657
Tennessee Behavioral Health	6,638,818	19,561,534	12,922,716

[(A)] AMERIGROUP did not begin its TennCare operations until April 1, 2007. Per its contract with TennCare, it must maintain an enhanced net worth requirement based on projected annualized premiums until it has been in operation for one full calendar year. Also, effective November 1, 2007, AMERIGROUP purchased substantially all of Memphis Managed Care Corporation's (MMCC's) operations, including its TennCare contract. As a result, AMERIGROUP's enhanced net worth requirement was increased to reflect this enrollment expansion.

Neither Windsor Health Plan nor MMCC is included in this report. Windsor's contract with TennCare was terminated effective April 1, 2007. As stated above, MMCC sold substantially all of its operations to AMERIGROUP effective November 1, 2007.

All TennCare MCOs and BHOs met their minimum net worth requirements as of June 30, 2008.

FINANCIAL ISSUES:

Xantus Healthplan of Tennessee, Inc. (Xantus)

No change from previous report.

Tennessee Coordinated Care Network d/b/a Access MedPlus (TCCN)

No change from previous report.

Universal Care of Tennessee (Universal)

No change from previous report.

Success of Fraud Detection and Prevention

The Office of Inspector General (OIG) was established over four 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), OIG data mining, and the general public via the OIG web site, faxes, letters, and phone calls to the OIG hotline. The statistics for the first quarter of the 2008 - 2009 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	**8,020**	**8,020**	**108,338**
Cases Closed*	**7,965**	**7,965**	**106,421**

***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. This number also includes reports the OIG runs for the TennCare Bureau regarding potential fraud or abuse.*

Summary of Enrollee Abuse Cases

	Quarter	T[2]
Abuse Cases Received	**7,758**	**41,224**
Abuse Cases Closed	**1,265**	**11,466**
Abuse Cases Referred [1]	**6,493**	**30,605**

[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 27 months (nine quarterly reports)

Summary of Provider Cases

	Quarter	FYT	Grand Total
Cases opened	**7**	**7**	**1,226**
Cases closed	**7**	**7**	**1,019**
Cases referred to TBI*	**3**	**3**	**157**
Cases referred to HRBs**	**3**	**3**	**92**

***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*

Summary of Arrests & Convictions

	Quarter	FYT	Grand Total
Arrests	**81**	**81**	**796**
Convictions	**22**	**22**	**329**
Diversions*	**7**	**7**	**131**

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	**$19,700.00**	**$19,700.00**	**$167,761.50**
Court Costs & Taxes	**$3,642.50**	**$3,642.50**	**$66,475.61**
Restitution (ordered)	**$19,672.39**	**$19,672.39**	**$1,134,949.70**
Drug Funds	**$768.00**	**$768.00**	**$29,322.50**

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	290
Drug Diversion/Sale RX	258
Access to Insurance	55
Doctor Shopping	45
Operation Falcon III	32
Operation Falcon IV	16
False Income	37
Ineligible Person Using Card	15
Living Out Of State	11
Asset Diversion	7
Theft of Services	10
ID Theft	17
Aiding & Abetting	3
GRAND TOTAL	**796**

TennCare Referrals & Recoupments

	Quarter	FYT	Grand Total
Recoupment **1**	$95,689.67	$95,689.67	$1,436,330.09
Recommended TennCare Terminations **2**	6,373	6,373	40,670
Potential Savings**3**	$21,362,041	$21,362,041	$143,939,262

Footnotes for the *TennCare Referral 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 September 30, 2008.

2 Enrollee recommendations sent to the TennCare Bureau for consideration based on reports run from *file net* (i.e. Prisoner Report, State Wage Report, the Deceased Report, the Department of Human Resources Report, and the PARIS Report).

3 There were 6,373 enrollee terminations *recommended* by the OIG to the TennCare Bureau for their review during the first quarter. The TennCare Bureau uses $3,351.96 as the average annual cost per enrollee for MCO, Pharmacy, BHO, and Dental services (effective FY 08-09).

Investigative Sources

	Quarter	FYT	Grand Total
OIG Hot Line	876	876	18,286
OIG Mail Tips	59	59	3,109
OIG Web Site	358	358	6,308
OIG Email Tips	160	160	2,622

Other Investigative Sources for this Quarter

Data Mining	6,403
Fax	158
Cash for Tips	20
Other	6

Case Type for this Quarter (*sample*)

Drug Diversion	344
Drug Seeker	144
Other Insurance	226
Income/Other Assets	413
Using Another Person's Card	19
Out of State	6,181
Transfer of Assets	4
Abusing ER	63
Dr. Shopping	2,577

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

Meetings with Law Enforcement Officials and other State Agencies:

*Each of the Judicial Task Forces, District Attorneys, Sheriffs & Chiefs of Police
*TBI Drug Diversion Task Force
*Middle Tennessee Law Enforcement Committee (in Brentwood)
*East Tennessee Medicaid Fraud Investigation Group
*FBI National Academy Graduates
*ROCIC Local Meeting
*Law Enforcement Accreditation Coalition of Tennessee
*MCC Roundtable
*Health Care Task Force
*TennCare Bureau MIP
*Upper East Tennessee Drug Diversion Task Force
*Judicial Drug Task Force Website Meeting
*Southeast Regional Investigator's Meeting
*Middle Tennessee Health Care Fraud Task Force

Presentations:
*TBI Drug Diversion Task Force – West Tennessee, Jackson
*TBI Drug Diversion Task Force -- Upper East Tennessee, Morristown
*TBI Drug Diversion Task Force – East Tennessee, Chattanooga
*Donelson/Hermitage Chamber of Commerce
*Southern Pharmacy Cooperative, Cookeville
*West Tennessee Pharmacy Cooperative, Jackson
*Middle Tennessee Compliance Officers, Nashville
*Medicaid Information Management Systems, Nashville
*National Association of Medicare Program Integrity, Williamsburg, Virginia
*CMS Site Visit at the TennCare Bureau, Nashville

Media:
*Ch 4 Television – McMinnville Roundup
*Radio – Kingsport, Tennessee
*Electronic and print media throughout the State of Tennessee

Training:
*FBI National Academy Retraining Session
*TGMI
*Legal Division CEU classes
*Accounting CEU classes
*TLETA Instructor School
*Identity Theft Seminar, Nashville
*Edison Training
*Leadership Middle Tennessee

Other OIG Activities:

*The OIG conducted an arrest roundup in McMinnville, Tennessee on TennCare fraud charges. Fourteen people were arrested.

*The OIG conducted an arrest roundup in Woodbury, Tennessee on TennCare fraud charges. Seven people were arrested.

*The OIG staff continues to work with the state's contractor, Medstat, to produce and review fraud and abuse detection reports. The OIG continues to generate proactive reports for identifying TennCare fraud. Targeted queries are generated on a routine basis. The goal behind these reports and queries is to assist with a successful OIG investigation and prosecution of individuals who have violated the law as it pertains to TennCare fraud.

*Five employee vacancies occurred during this quarter: 3 took the VBP, 1 resigned to take a job in the private sector, and 1 transferred to another State agency.

*Training continued for OIG personnel during this quarter. The Special Agents continued their annual In-Service training that includes POST required courses, instruction regarding new policies and procedures, all qualifications with approved weapons, a legal update, accreditation updates, etc.

*All CEU training continued for OIG "professional" staff members, i.e. attorneys, an accountant, registered nurses, and information technology personnel.

*The Assistant Inspector General/Fiscal Manager, Georganne Martin, continues to participate in the 2008 TGMI class.

*The Inspector General was selected for the 2008 – 2009 Leadership Middle Tennessee class.

*The OIG Legal Division continues to assist OIG staff members by providing legal advice on issues including how to meet the requirements of various statutes and drafting and reviewing documents that have legal implications. The Legal Division facilitates the case preparation process and works closely with various District Attorneys toward a successful prosecution of OIG cases. They review all legal matters of the OIG.

*The Inspector General and the Deputy Inspector General over Criminal Investigations have continued to make visits to various Tennessee counties. In each jurisdiction visited, there is a courtesy call to the Sheriff and Chief of Police. 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 OIG continues to maintain accredited status by complying with the standards of the Commission on Accreditation for Law Enforcement Agencies (CALEA). The OIG was accredited in November 2006. **The State of Tennessee OIG is the only Office of Inspector General agency to achieve law enforcement accreditation both nationally and internationally**. A re-accreditation on-site assessment and hearing will occur during the 2009 - 2010 fiscal year. A mock on-site assessment is scheduled for February 2009.

*The ***Doctor Shopping*** legislation (approved by the General Assembly June 2007) has generated a number of criminal investigations. There have been **45** 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.

Plans for next quarter:

a. Continue to exchange information with local, state, and federal government agencies.
b. Continue to work with Medstat to improve reports that would assist with the data mining function of the OIG.
c. Provide presentations and training for interested parties regarding TennCare fraud and the role of the OIG.
d. Continue staff training and develop best practices.
e. Continue to track the *Tips for Cash* pay incentive program for information that leads to a successful conviction for TennCare fraud. This program is a result of legislation from the 104th General Assembly.
f. Continue the process for re-accreditation (a three year process). The OIG was accredited in November 2006.
g. Continue using the newly created Doctor Shopping Law on investigations regarding suspected chronic abusers of the TennCare program.