



A Report on Health and Human Services Commission Contracts

March 23, 2020

Members of the Legislative Audit Committee:

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

The State Auditor's Office identified 98 contracts with a total value exceeding \$100 million. Those contracts included:

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

According to information from SCOR, as of January 13, 2020, expenditures for those 98 contracts totaled approximately \$149.5 billion.

The State Auditor's Office will include the information identified in this report in its risk assessment process for selecting contracts to audit during fiscal year 2021. A list of the 98 contracts discussed above is attached to this letter.

Objective, Scope, and Methodology

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

The project scope included Commission contracts that were active between September 1, 2018, and November 30, 2019, and had a total value exceeding \$100 million as of January 13, 2020.

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

- Tessa Mlynar, CFE (Project Manager)
- Jennifer Fries, MS
- Derek Lopez, MBA
- Robert G. Kiker, CGAP (Quality Control Reviewer)
- Hillary Eckford, CIA, CFE (Audit Manager)

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

Sincerely,

Lisa R. Collier, CPA, CFE, CIDA

First Assistant State Auditor

Attachment

cc: The Honorable Greg Abbott, Governor

Mr. Phil Wilson, Acting Executive Commissioner, Health and Human Services Commission



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Attachment

Summary of Health and Human Services Commission Contracts

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

The Commission generated this unaudited information from its System of Contract Operation and Reporting (SCOR) as of January 13, 2020. For the purposes of this project, SCOR was the most complete repository of Commission contract data, including data on the award values and expenditures associated with those contracts. Auditors did not verify the accuracy of the contract data in SCOR.

Table 1

Summary of Health and Human Services Commission Contracts as of January 13, 2020				
Contractor Name	Contract Number	Contract Description	Contract Award Value ^a	Total Contract Expenditures
Managed Care Services				
1	Amerigroup Texas Inc.	529-12-0002-00019	Children's Health Insurance Program (CHIP)	\$ 17,767,389,821
2	United Healthcare Community Plan of Texas	529-12-0002-00009	CHIP	12,978,036,093
3	Bankers Reserve Life Insurance Company of Wisconsin	529-12-0002-00006	CHIP	12,431,240,301
4	Superior Health Plan	529-12-0002-00007	CHIP	11,897,151,834
5	Molina Healthcare of Texas Inc.	529-12-0002-00008	CHIP	9,996,578,906
6	Texas Children's Health Plan	529-12-0002-00014	CHIP	7,422,980,653
7	DentaQuest USA Insurance Company	529-12-0003-00002	CHIP	5,753,981,109
8	MCNA Insurance Company	529-12-0003-00003	CHIP	4,360,206,839
9	Parkland Community Health Plan Inc.	529-12-0002-00004	CHIP	4,268,814,542
10	Driscoll Children's Health Plan	529-12-0002-00010	CHIP	3,487,962,141
11	Molina Healthcare of Texas Inc.	529-10-0020-00005	STAR+PLUS	3,120,648,888
12	Superior Health Plan	529-13-0042-00003	STAR+PLUS	3,000,065,335
13	United Healthcare Insurance Company	529-13-0042-00004	STAR+PLUS	2,927,446,681
14	Amerigroup Insurance Company	529-12-0002-00015	CHIP	2,560,928,719
15	Community First Health Plans Inc.	529-12-0002-00020	CHIP	2,446,560,167

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	Contractor Name	Contract Number	Contract Description	Contract Award Value ^a	Total Contract Expenditures
16	Cook Children's Health Plan	529-12-0002-00002	CHIP	0	2,410,608,344
17	SHA LLC	529-12-0002-00001	CHIP	0	2,282,172,390
18	Superior Health Plan	529-10-0020-00003	STAR+PLUS	0	2,132,859,046
19	Amerigroup Texas Inc.	529-10-0020-00002	STAR+PLUS	0	2,081,063,222
20	Texas Children's Health Plan	529-13-0071-00009	STAR Kids	0	1,929,568,035
21	United Healthcare Insurance Company	529-13-0071-00010	STAR Kids	0	1,860,620,806
22	HealthSpring Life and Health Insurance Company, Inc.	529-10-0020-00006	STAR+PLUS	0	1,753,363,062
23	Superior Health Plan	529-13-0071-00008	STAR Kids	0	1,746,841,659
24	HealthSpring Life and Health Insurance Company, Inc.	529-13-0042-00002	STAR+PLUS	0	1,746,163,206
25	Community Health Choice Texas Inc.	529-12-0002-00024	CHIP	0	1,692,667,498
26	HealthSpring Life and Health Insurance Company, Inc.	529-12-0002-00012	CHIP	0	1,649,079,048
27	Superior Health Plan	529-15-0001-00001	CHIP	0	1,580,704,972
28	El Paso First Health Plans Inc.	529-12-0002-00013	CHIP	0	1,381,624,183
29	Amerigroup Insurance Company	529-13-0071-00002	STAR Kids	0	1,364,198,549
30	Amerigroup Insurance Company	529-13-0042-00001	STAR+PLUS	0	1,209,700,236
31	Aetna Better Health of Texas Inc.	529-12-0002-00022	CHIP	0	981,537,219
32	Scott & White Pharmacy	529-12-0002-00011	CHIP	0	972,788,475
33	Bankers Reserve Life Insurance Company of Wisconsin	529-08-0001-00001	CHIP	0	868,890,146
34	Children's Medical Center Health Plan	529-13-0071-00003	STAR Kids	0	824,683,033
35	Molina Healthcare of Texas Inc.	529-15-0058-00001	STAR+PLUS	0	780,388,343
36	Cook Children's Health Plan	529-13-0071-00005	STAR Kids	0	693,742,835
37	Amerigroup Insurance Company	529-15-0060-00001	STAR+PLUS	0	685,340,197
38	Blue Cross and Blue Shield of Texas	529-12-0002-00017	CHIP	0	642,904,943
39	Community First Health Plans Inc.	529-13-0071-00004	STAR Kids	0	603,298,321
40	Superior Health Plan	529-15-0061-00001	STAR+PLUS	0	587,714,503
41	Driscoll Children's Health Plan	529-13-0071-00006	STAR Kids	0	536,453,506
42	Blue Cross and Blue Shield of Texas	529-13-0071-00007	STAR Kids	0	505,300,793
43	Seton Health Plan Inc.	529-12-0002-00005	CHIP	0	458,445,916
44	United Healthcare Community Plan of Texas	529-15-0059-00001	STAR+PLUS	0	271,052,932

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Contractor Name		Contract Number	Contract Description	Contract Award Value ^a	Total Contract Expenditures
45	Aetna Better Health of Texas Inc.	529-13-0071-00001	STAR Kids	0	246,898,398
46	Molina Healthcare of Texas Inc.	529-08-0001-00002	CHIP	0	200,644,161
47	HealthSpring Life and Health Insurance Company, Inc.	529-15-0057-00001	STAR+PLUS	0	133,560,157
Subtotals				\$0	\$141,234,870,163
Long-term Care Provider Contracts Transitioned from the Department of Aging and Disability Services					
48	Bienvivir Senior Health Services	000999817	Program of All-inclusive Care for the Elderly (PACE)	\$0	\$ 413,473,308
49	Consumer Directed Services In Texas Inc.	001017414	Consumer Directed Services (CDS)/Community Living Assistance and Support Services (CLASS)	0	294,707,214
50	Caregivers Home Health Texas Inc.	001012761	CDS/CLASS	0	284,354,913
51	D&S Residential Services LP	001007352	Home and Community Based Services (HCS)	0	228,577,840
52	JHC Operations LLC	000071400	Primary Home Care (PHC)/Family Care (FC)/Community Attendant Services (CAS)	0	219,685,168
53	Texas Visiting Nurse Service LTD	000081100	PHC/FC/CAS	0	180,293,646
54	Texas Home Health of America LP	001002981	PHC/FC/CAS	0	172,120,206
55	Berry Family Services Inc.	001007929	HCS	0	167,215,865
56	Girling Health Care Inc.	001016243	PHC/FC/CAS	0	163,458,510
57	Texana Center	001007318	HCS	0	158,395,922
58	Legacy Home Health Agency Inc.	001003937	PHC/FC/CAS	0	143,354,126
59	All The Little Things Count LC	001007409	HCS	0	142,514,648
60	In-Home Attendant Services LTD	001012963	CDS/CLASS	0	138,648,649
61	Girling Health Care Inc.	001016245	PHC/FC/CAS	0	137,763,264
62	Caring For You Home Health Inc.	000117700	PHC/FC/CAS	0	135,493,123
63	Texas Home Health of America LP	001002979	PHC/FC/CAS	0	128,621,427
64	St. Giles Living Centers Inc.	001007212	HCS	0	117,705,038
65	Nexion Health at Truman Inc.	001013802	Nursing Facility Enrollment	0	114,811,721
66	International Tutoring Services LLC	001013527	Hospice	0	111,838,133
67	Girling Health Care Inc.	001016241	PHC/FC/CAS	0	111,548,752
68	Disability Services of the Southwest Inc.	001015845	Direct Service Agency (DSA)/CLASS	0	102,715,163

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69	D&S Residential Services LP	001007095	HCS	0	101,820,249
70	Educare Community Living Corporation-Texas	001007425	HCS	0	101,707,578
71	Abundant Life Home Health Inc.	000019200	PHC/FC/CAS	0	101,605,233
72	Astrocare Class Inc.	001015857	DSA/CLASS	0	101,594,788
Subtotals				\$0	\$4,074,024,484
Medicaid, Children's Health Insurance, Medical Transportation, and Administrative Programs; and Other Medical/Enrollment Services					
73	Conduent State Healthcare LLC	529-14-0125-00004	Medicaid/CHIP Health Maintenance Organization (HMO) Services	\$ 85,347,205	\$ 767,157,572
74	Maximus Inc.	529-10-0005-00001	Managed Care Enrollment Broker Operations	482,702,954	367,614,794
75	Maximus Inc.	529-14-0006-00001	Medicaid Eligibility Support Services	737,773,453	353,053,831
76	Logisticare Solutions LLC	529-11-0004-00002	Non-emergency Medical Transportation Program Services	0	244,536,934
77	Medical Transportation Management Inc.	529-11-0004-00001	Non-emergency Medical Transportation Program Services	0	236,409,129
78	Office of the Attorney General	529-12-0086-00001	Program and Administrative Services	0	156,583,429
79	Public Consulting Group Inc.	529-16-0011-00001	Data Broker Services	106,640,844	30,018,037
80	Department of State Health Services	HHS000106800001	CHIP Vaccine Program	160,000,000	20,772,698
81	Department of State Health Services	HHS000072400001	CHIP Vaccine Services	160,000,000	0
82	Department of State Health Services	HHS000106400001	Lab Screening Services	557,946,754	0
Subtotals				\$2,290,411,210	\$2,176,146,424
Interlocal Contracts					
83	The Harris Center for Mental Health and IDD	529-17-0038-00024	Local Mental Health Authority	\$ 327,308,348	\$ 303,362,310
84	North Texas Behavioral Health Authority	529-17-0038-00038	Local Mental Health Authority	174,031,878	159,417,154
85	MHMR of Tarrant County	529-17-0038-00025	Local Mental Health Authority	136,077,782	123,278,728
86	The Center for Health Care Services	529-17-0038-00009	Local Mental Health Authority	115,918,824	107,327,544
87	The Harris Center for Mental Health and IDD	HHS000525600001	Local Mental Health Authority	219,203,898	60,390,108
88	North Texas Behavioral Health Authority	HHS000537200012	Local Mental Health Authority	128,358,992	32,277,700
Subtotals				\$1,100,899,722	\$786,053,544

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Information Technology					
89	Accenture State Healthcare Services LLC	529-16-0007-00001	Medicaid Management Information System (MMIS) Drug Rebate Administration	\$ 0	\$ 431,552,469
90	Deloitte Consulting LLP	529-08-0208-00001	Texas Integrated Eligibility Redesign System (TIERS) Software Development	391,248,435	305,632,255
91	Northrop Grumman Systems Corporation	529-12-0006-00001	TIERS Data Center Services	190,130,038	183,058,588
92	Department of Information Resources	529-13-0088-00001	State Data Center Services	196,461,423	158,923,978
93	Deloitte Consulting LLP	HHS000045800001	TIERS Software Development and Maintenance	192,207,051	44,593,557
94	Department of Information Resources	DIR-SS-IAC0016	Department of Information Resources Shared Services	101,294,831	0
Subtotals				\$1,071,341,778	\$1,123,760,847
Construction					
95	The University of Texas Health Science Center at Houston	HHS000158300001	Planning, Design and Construction of Psychiatric Hospital Facility at the Texas Medical Center	\$ 125,000,000	\$ 106,000,000
96	The University of Texas at Austin	HHS000097000001	Pre-planning Activities for Replacement of Austin State Hospital	180,500,000	42,932,215
97	The University of Texas Health Science Center at San Antonio	HHS000099200001	Pre-planning Activities for Replacement of San Antonio State Hospital	204,800,000	3,887,445
98	The Robins & Morton Group	HHS000119400001	Pre-construction Services and Construction Services for the Rusk State Hospital	149,023,102	0
Subtotals				\$ 659,323,102	\$ 152,819,660
Totals for all contracts				\$5,121,975,812	\$149,547,675,122

^a Contracts that do not have a stated value within the contract are shown with an award value of \$0. According to the Commission, the value of these contracts are based on a variety of payment models. An example is the capitation payment model, in which contractors are paid predetermined rates for individuals served.

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