



STATE OF TENNESSEE
BUREAU OF TENNCARE
DEPARTMENT OF FINANCE AND ADMINISTRATION
310 Great Circle Road
NASHVILLE, TENNESSEE 37243

MEMORANDUM

DATE: April 15, 2010

TO: The Honorable Members of the Fiscal Review Committee
The Honorable Members of the TennCare Oversight Committee

FROM: Darin J. Gordon, Director, Bureau of TennCare 

SUBJECT: TennCare Quarterly Report

Pursuant to Tennessee Code Annotated, Title 3, Chapter 15, Section 510(g), I am enclosing the TennCare Quarterly Report for the period ending December 31, 2009.

Please feel free to contact me if you have any questions.

TennCare Quarterly Report

Submitted to the TennCare Oversight Committee and the Fiscal Review Committee

April 15, 2010

Status of TennCare Reforms and Improvements
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CHOICES implementation in Middle Tennessee. On March 1, 2010, the CHOICES program was implemented in the Middle Tennessee region. About 8,500 Middle Tennessee enrollees who were receiving Nursing Facility (NF) services or who were participating in the State's Home and Community Based Services (HCBS) 1915(c) waiver for persons who are elderly and/or disabled were automatically moved into the CHOICES program. Since the date of implementation, 156 individuals enrolled into CHOICES HCBS and 280 individuals enrolled into CHOICES in a NF. These individuals had not previously been served either in a nursing facility or the 1915(c) waiver.

The Managed Care Operations Division within the Bureau has primary responsibility for ensuring that contracts between the MCOs and TennCare are negotiated timely and convey the requirements for all operational elements necessary to ensure the success of the program. The final CHOICES amendment to the Middle Tennessee MCO contract was signed, and this Division monitored the development of the provider networks to ensure adequate coverage for members.

TennCare, the Managed Care Organizations (MCOs), and various groups of stakeholders have met almost weekly since last summer in order to prepare for the implementation. The MCOs have successfully built their provider networks to accommodate the CHOICES population. One hundred percent of all Middle Tennessee Nursing Facilities have been contracted with one or both of the Middle Tennessee MCOs. Over 135 discrete HCBS providers have been contracted with one or both MCOs. Many of these providers are new to the program.

Since implementation, 45 referrals were handled by care coordinators for members interested in Consumer Direction. More than \$6,300,000 in claims was paid to nursing facilities by the two Middle Tennessee MCOs and greater than \$300,000 was paid to HCBS providers. More than 35,000 discrete services have been provided to CHOICES enrollees by both MCOs.

Both MCOs are on track to complete all of their member assessments within the allotted timeframe under the Contractor Risk Agreement. The Electronic Visit Verification (EVV) System was fully

operational on March 1, 2010. The EVV is the system that will be used by each HCBS provider to log in his arrival time at a member's home and to log out upon departure.

The Bureau's electronic PAE submission system (TPAES) was fully operational on March 1, 2010, with access for the AAADs, the MCOs, and DHS.

The Bureau will continue to assist both of the MCOs with transition and implementation through daily monitoring calls, continued monitoring of provider issues, and evaluation of members' satisfaction with their CHOICES/MCO experience. In addition, the Bureau is conducting weekly conference calls with the AAADs to monitor any issues they may have functioning as the Single Point of Entry for CHOICES enrollment. The Bureau also provides on-going technical assistance to the care coordinators, as well as executive staff, in both MCOs.

In addition to contract oversight, staff of both Managed Care Operations and Quality Oversight participated in ride-alongs with Care Coordinators from the Middle Tennessee MCOs to visit prospective CHOICES members and conduct home visit assessments.

Amendment #9. On February 1, 2010, Governor Bredesen gave his state-of-the-state address. In that address he talked about the difficult financial situation now facing the State. He alluded to the recession that has gripped the nation and that has been felt strongly in Tennessee. He spoke of unemployment and housing issues that have affected Tennessee families and falling state revenues that have created major challenges to maintain the services that Tennessee citizens want. The fact that TennCare takes up 24 percent of the State's budget makes the Bureau's ability to respond to the State's difficult financial situation of primary importance.

The Bureau of TennCare had been anticipating these announcements and had prepared a series of actions that could be taken to reduce the TennCare budget in accordance with the Governor's address. Those actions requiring federal approval were packaged in Amendment #9 and submitted to CMS on February 3, 2010. The State requested approval by April 1, 2010, so that the pre-implementation tasks could be completed in time for a July 1, 2010 implementation.

The budget that was presented by TennCare to the Governor had a base reduction of \$175,367,300 and included, among other things, limits on inpatient hospital costs (up to \$10,000 per year); limiting lab and x-ray procedures to eight per year; limiting provider office visits and outpatient visits to eight per year each; enacting a seven percent provider rate cut; and eliminating speech, occupational and physical therapy. These limits would not affect children or pregnant women. The Director of TennCare concluded the budget presentation by saying that because program changes were previously made to TennCare, we are in a better position to handle the current economic environment.

"Clawback" Savings. The 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. The states and CMS originally disagreed on how ARRA impacted the Part D

clawback calculation. On Feb. 19, 2010, TennCare received word that CMS had revised the way the federal clawback is calculated. This new interpretation means TennCare will pay approximately \$120 million less in clawback payments. These non-recurring funds have been proposed to temporarily delay some of the proposed reductions, but cannot address all cuts.

These are one-time savings, the majority of which are proposed to postpone most of the benefit limits and the elimination of benefits that were listed in the fiscal year 2011 proposed budget (above.) This proposal is based on what is known today. Other factors may require the current clawback proposal to be modified.

John B.

The 6th Circuit granted a stay of all proceedings pending outcome of our appeal of the District Court's denial of our Motion to Vacate. Oral argument on the State's appeal of the District Court's order refusing to vacate the Consent Decree has been set for April 27, 2010.

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, which receive cost-based reimbursement from the TennCare program and therefore do not have unreimbursed TennCare costs, and the five state mental institutes.

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

Hospital Name	Amount
Regional Medical Center at Memphis	\$ 4,328,739.00
Vanderbilt University Hospital	\$ 3,178,412.00
Erlanger Medical Center	\$ 1,830,214.00
University of Tennessee Memorial Hospital	\$ 1,256,490.00
Johnson City Medical Center (with Woodridge)	\$ 984,588.00
Metro Nashville General Hospital	\$ 921,557.00
Methodist Healthcare - LeBonheur	\$ 829,099.00
Jackson - Madison County General Hospital	\$ 623,574.00
Parkwest Medical Center (with Penninsula)	\$ 525,587.00
Saint Francis Hospital	\$ 472,022.00

Hospital Name	Amount
Parkridge Medical Center (with Parkridge Valley)	\$ 452,996.00
East Tennessee Children's Hospital	\$ 420,901.00
Methodist University Healthcare	\$ 359,929.00
Saint Jude Children's Research Hospital	\$ 339,550.00
Wellmont Holston Valley Medical Center	\$ 329,305.00
Fort Sanders Regional Medical Center	\$ 280,866.00
Methodist Healthcare - South	\$ 259,782.00
Centennial Medical Center	\$ 248,972.00
Skyline Medical Center (with Madison Campus)	\$ 245,821.00
Middle Tennessee Medical Center	\$ 221,327.00
Wellmont Bristol Regional Medical Center	\$ 219,763.00
Parkridge East Hospital	\$ 204,239.00
Pathways of Tennessee	\$ 192,027.00
Delta Medical Center	\$ 189,306.00
Saint Mary's Medical Center	\$ 171,309.00
Baptist Hospital	\$ 168,075.00
Gateway Medical Center	\$ 164,615.00
University Medical Center	\$ 163,510.00
Methodist Healthcare - North	\$ 161,366.00
Cookeville Regional Medical Center	\$ 159,867.00
Regional Hospital of Jackson	\$ 158,787.00
Mauy Regional Hospital	\$ 157,516.00
NorthCrest Medical Center	\$ 156,319.00
Skyridge Medical Center	\$ 145,984.00
Methodist Medical Center of Oak Ridge	\$ 138,186.00
Baptist Memorial Hospital for Women	\$ 137,788.00
Sweetwater Hospital Association	\$ 136,219.00
Morristown - Hamblen Healthcare System	\$ 135,539.00
Ridgeview Psychiatric Hospital and Center	\$ 125,298.00
Claiborne County Hospital	\$ 124,980.00
Indian Path medical center (with Indian Path Pavillion)	\$ 124,239.00
Blount Memorial Hospital	\$ 122,767.00
Fort Sanders Sevier Medical Center	\$ 121,824.00
Summit Medical Center	\$ 120,791.00
Skyridge Medical Center - West	\$ 116,564.00
Dyersburg Regional Medical Center	\$ 115,361.00
Hardin Medical Center	\$ 111,731.00
Community Behavioral Health	\$ 110,866.00
Sumner Regional Medical Center	\$ 109,993.00
Lakeway Regional Hospital	\$ 108,417.00
Baptist Hospital of Cocke County	\$ 101,752.00
Baptist Memorial Hospital - Tipton	\$ 97,750.00
Southern Hills Medical Center	\$ 97,041.00
Humboldt General Hospital	\$ 95,478.00
Saint Mary's Medical Center of Campbell County	\$ 85,897.00
Horizon Medical Center	\$ 84,103.00
Cumberland Medical Center	\$ 81,986.00
Jellico Community Hospital	\$ 80,435.00
Sycamore Shoals Hospital	\$ 78,775.00
StoneCrest Medical Center	\$ 76,939.00
Bolivar General Hospital	\$ 74,739.00
Henry County Medical Center	\$ 72,686.00

Hospital Name	Amount
ABS Lincs TN, Inc.	\$ 71,809.00
Athens Regional Medical Center	\$ 69,133.00
Takoma Regional Hospital	\$ 68,879.00
Harton Regional Medical Center	\$ 63,869.00
Grandview Medical Center	\$ 61,266.00
Baptist Memorial Hospital - Union City	\$ 59,867.00
Jefferson Memorial Hospital	\$ 59,526.00
Roane Medical Center	\$ 59,323.00
Bedford County Medical Center	\$ 57,963.00
Livingston Regional Hospital	\$ 57,534.00
Crockett Hospital	\$ 57,010.00
River Park Hospital	\$ 54,129.00
United Regional Medical Center	\$ 53,762.00
Southern Tennessee Medical Center	\$ 52,760.00
Volunteer Community Hospital	\$ 50,287.00
Lincoln Medical Center	\$ 42,946.00
McKenzie Regional Hospital	\$ 42,275.00
Hillside Hospital	\$ 41,708.00
Wellmont Hawkins County Memorial Hospital	\$ 41,260.00
Baptist Memorial Hospital - Huntingdon	\$ 41,046.00
McNairy Regional Hospital	\$ 40,624.00
Woods Memorial Hospital	\$ 40,539.00
Jamestown Regional Medical Center	\$ 34,459.00
Gibson General Hospital	\$ 33,389.00
Haywood Park Community Hospital	\$ 31,877.00
Decatur County General Hospital	\$ 25,705.00
Wayne Medical Center	\$ 25,695.00
Henderson County Community Hospital	\$ 24,250.00
Methodist Healthcare - Fayette	\$ 24,234.00
White County Community Hospital	\$ 22,418.00
Riverview Regional Medical Center - North	\$ 21,364.00
Emerald Hodgson Hospital	\$ 16,472.00
Portland Medical Center	\$ 15,550.00
Johnson City Specialty Hospital	\$ 14,551.00
Erlanger East	\$ 11,963.00
TOTAL	\$ 25,000,000.00

Reverification Status

The reverification of persons in the *Daniels* class has been completed. TennCare has implemented a process to reverify individuals as they lose their SSI. This will be an ongoing process as required by federal law.

Status of Filling Top Leadership Positions in the Bureau

Carolyn Fulghum was appointed February 28, 2010, and serves as the Director of Quality and Administration for Elderly and Disabled Services in the Division of Long Term Care, responsible for

quality and administration activities. In this role, she will also oversee a unit of nurses and will be responsible for the management and direction of their day-to-day administrative and quality oversight functions. Ms. Fulghum possesses significant experience in public health management, operations, and project management, and has been serving as the TennCare Project Director in the Division of Quality Oversight, Bureau of TennCare since 2008. Ms. Fulghum possesses a Bachelor of Science in Social Work degree from Austin Peay State University and a Master's in Social Work degree from the University of Tennessee.

Kimberly Carroll was appointed February 28, 2010, and serves as the Director of Long-Term Care Systems Management in the Division of Long Term Care, responsible for the development and implementation of comprehensive enrollment and claims activities involved in the implementation of the CHOICES Program. Ms. Carroll has over twenty-three years of experience in the Tennessee Medicaid/TennCare Program. In her most recent role, she served as a Managed Care Program Manager, responsible for coordinating and managing the PACE Program while overseeing the claims functions for all nursing home and home and community based waiver services claims.

Debbie Coleman was appointed February 28, 2010, and serves as the Director of Long-Term Care PAE Nursing and Support Services, Division of Long Term Care, responsible for overseeing the functions of a PAE Nursing and Support Services Unit recently created. In this role, she will be responsible for overseeing the planning, development, and implementation of critical functions of the CHOICES Program. Ms. Coleman has more than five years of experience with the TennCare Program working as a Public Health Nurse Consultant Manager and approximately seven years experience in the Department of Health as a Public Health Nurse 2. Ms. Coleman possesses a B.B.A. Degree in Marketing from Middle Tennessee State University and an Associate of Arts Degree in Nursing from Columbia State Community College, Franklin, Tennessee.

Number of Recipients on TennCare and Costs to the State
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At the end of the period January 1 through March 31, 2010, there were 1,138,225 Medicaid eligibles and 28,984 uninsured/uninsurable persons enrolled in TennCare, for a total of 1,167,209 persons.

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

	Third Quarter*
Spending on MCO services**	\$1,310,599,400
Spending on BHO services***	\$381,500
Spending on dental services	\$40,651,400
Spending on pharmacy services	\$227,618,400
Medicare "clawback"	\$24,933,600

**These figures are cash basis as of March 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. § 56-32-126(b) mandate that each managed care organization ("MCO") 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, the DBM and the PBM are required to submit monthly claims data files of all TennCare claims processed to 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 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 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 Premier Behavioral Systems of Tennessee and Tennessee Behavioral Health because of the negligible number of TennCare claims these former TennCare behavioral health organizations were processing each month while winding down their TennCare operations. During the quarter ended March 31, 2010, TDCI analyzed monthly data files of all processed TennCare claims submitted by the other plans for December 2009, and January and February 2010. TDCI also requested data files of pending 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 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, including payments made under the "stabilization plan." During this quarter, the MCOs submitted their NAIC 2009 Annual Financial Statement. As of December 31, 2009, TennCare MCOs reported net worth as indicated in the table below.

	Net Worth Requirement	Reported Net Worth	Excess/ (Deficiency)
AMERIGROUP Tennessee	\$16,133,399	\$80,853,892	\$64,720,493
UnitedHealthcare Plan of the River Valley (AmeriChoice)	\$43,370,119	\$267,995,789	\$224,625,670
Volunteer (BlueCare & Select)	\$28,764,984	\$86,912,408	\$458,147,424

All TennCare MCOs met their minimum net worth requirements as of December 31, 2009.

NOTE: Preferred Health Partnership of Tennessee, UAHC Health Plans of Tennessee, Premier Behavioral Systems of Tennessee and Tennessee Behavioral Health, were not included in the table above because they no longer contract with the TennCare program and have essentially wound down their TennCare operations.

Success of Fraud Detection and Prevention

The Office of Inspector General (OIG) was established over 5½ 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 third 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	1,980	5,647	126,579
Cases Closed*	1,209	4,196	122,540

**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	1,047	56,525
Abuse Cases Closed	809	17,672
Abuse Cases Referred ¹	238	39,700

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 45 months (fifteenth quarterly report)

Summary of Provider Cases

	Quarter	FYT	Grand Total
Cases received	73	164	1,557
Cases referred to TBI* as part of the Provider Fraud Task Force	18	28	220
Cases referred to HRBs**	6	11	113

* 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	66	193	1,167
Convictions	23	88	563
Diversions*	8	41	221

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	\$6,850.00	\$57,910.50	\$314,382.00
Court Costs & Taxes	\$7,538.90	\$23,784.28	\$116,907.61
Restitution (ordered)	\$70,788.10	\$179,774.34	\$1,606,048.77
Drug Funds/Forfeitures	\$345,357.90	\$349,755.90	\$391,224.90

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	394
Drug Diversion/Sale RX	436
Access to Insurance	55
Doctor Shopping	97
Operation Falcon III	32
Operation Falcon IV	16
False Income	51
Ineligible Person Using Card	17
Living Out Of State	13
Asset Diversion	7
Theft of Services	11
ID Theft	33
Aiding & Abetting	3
Failure to Appear in Court	2
GRAND TOTAL	1,167

TennCare Case Referral & Recoupment

	Quarter	FYT	Grand Total
Recoupment ¹	\$153,578.53	\$303,138.99	\$1,692,420.96
Civil Case Recoupment ²	\$43,840.17	\$138,448.55	\$573,598.15
Recommended TennCare Terminations ³	51	277	48,939
Potential Savings ⁴	\$186,475.89	\$1,012,827.09	\$172,248,123.59

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 March 31, 2010.

2 The Grand Total for this column 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 51 *recommended* enrollee terminations by the OIG to the TennCare Bureau for their review during the third 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	893	2,560	23,439
OIG Mail Tips	74	306	3,625
OIG Web Site	232	679	7,794
OIG Email Tips	215	746	3,770

Other Investigative Sources for this Quarter

- Fax.....243
- Cash for Tips (pending).....26

Case Types for this Quarter (sample)

- Drug Diversion: 406
- Drug Seeker: 91
- Income/Other Assets: 268
- Using Another Person's Card: 26
- Out of State: 118
- Transfer of Assets: 4
- Abusing the ER: 44
- Dr Shopping: 314
- Other Insurance: 159

The Office of Inspector General participated in the following activities during the Third 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 – Re-Training session in Gallatin
- *MCC Roundtable
- *Nursing Home Meeting with the TennCare Bureau and Mental Health
- *Presentation – Tennessee Primary Care Medical Director’s Meeting, Brentwood
- *Presentation – University of Tennessee College of Pharmacy meeting, Nashville
- *Presentation – Union University Pharmacy students, Jackson

Media

- * Interview – Channel 5 News (Nashville)
- * Interview – Channel 4 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 Alumni Meetings
- *Tennessee Government Management Institute Alumni Meetings
- *FBI National Academy Re-Training Session – Gallatin, Tennessee

Other OIG Activities

- * The OIG had an outstanding quarter: 66 arrests including 34 in the month of March.
- * The case against Overton County Pharmacist Malcolm Clark was adjudicated. The results were as follows: he received 10 years supervised probation; he was ordered to retire his pharmacy license; he had to pay \$95,245.39 in restitution to TennCare/OIG; \$47,179.87 restitution to Overton County; \$265,035.45 in restitution to the Overton County Sheriff's Department; he had to surrender six heavy equipment items plus a number of firearms; and, his pharmacy building and all contents were awarded to the Overton County Sheriff's Department. Three OIG staff members worked extremely hard on this case and were recognized by the Judge, Sheriff's Department, and District Attorney of Overton County.
- * 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.
- * Current OIG staffing has 24 fewer positions from the original staffing level:
 - 3 employees took the Voluntary Buyout in 2008
 - 8 positions were eliminated in 2009
 - 6 positions will be eliminated in the 2011 budget
 - 3 IS employees were transferred to the TennCare Bureau
 - 1 Paralegal transferred to the Department of Health
 - 1 Special Agent transferred to the State Law Enforcement Training Academy
 - 2 positions are currently vacant
- * The OIG had one Special Agent and one employee from the Legal Division on extended sick leave 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 97 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. 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.
- g. Ensure all policies and procedures are reviewed and any revisions are distributed to the OIG staff.