

Sen. Hinojosa: Next, we have the Office of the Inspector General, Douglas Wilson. Just identify yourself and you may proceed whenever you are ready.

Wilson: Good morning Mr. Chairman, members of the committee. My name is Douglas Wilson and I serve as Inspector General for the Health and Human Services Commission. Thank you for allowing me to visit with you all regarding some of our accomplishments in the current fiscal year about SB-1 and about our exceptional item for the next funding year.

I'll start by saying that on page 2, we completed a major reorganization in the Office of Inspector General, devoting more of our resources to Medicaid provider investigations, which allow us to focus on investigations with a high probability for recoupment. We devoted more resources to conducting investigations in state hospitals and we created a managed care audit unit in response to the expansion of managed care in our state. We also improved our productivity during the current biennium. Our provider investigations increased from 12 completed by [year end] 2011 to 108 in our fiscal year 12. We shortened our investigative time-frames from an average of 4 years to an average of 8 to 10 weeks now. We completed 36 orthodontia investigations with a potential overpayment amount of over \$300 million. We completed 707 hospital reviews by 12, identifying approximately \$31 million in overpayment. And we conducted 1036 [...] investigations as well. We also implemented the ACA required credible allegations of fraud holds, who were required to stop payments to providers where there is a credible allegation of fraud. Failure to do so does create financial risk to the state because of failure to [...] call those dollars back if we haven't acted appropriately.

We've also to date, as of the end of December 2012, had 91 providers on a payment hold. We developed a very robust internal review process prior to placing a hold. And we also allow providers due process after the hold has been issued. We adopted new provider enrollment rules at end of December to strengthen program integrity and to prevent providers from enrolling in the program that are likely to engage in fraudulent activities. We also secured funding from CMS regarding graph pattern analysis technology that we believe will allow us to track even the smallest changes for operations very quickly and thereby shorten investigative time frames that we've been talking about and been listening to today. And we are also in the planning stages for predictive analytics RFP that should go out sometime later this fiscal year.

I'm onto page 4. I've got 2 minutes, eh? You will note, in the comparison between current biennium extensions and budgets with SB-1, there is a \$3.2 million difference. I heard the WB speak to 9 additional FTEs that have been placed with the OIG to conduct utilization reviews in the managed care programs, surplus, long-term services and supports.

Moving to our exceptional item. So, speaking to the productivity and success we have had in the past fiscal year, the increase in our referrals, the size and complexity of the investigations that we are now conducting, are reducing the time in working investigative cases. We believe that an additional 106 FTEs, 9 million GR, 23.8 million all funds will allow us to increase our cost recovery, cost of [...] as a result of sufficient staff being available to respond to the needs and allegations we receive in our office. We also believe that the additional funding of 9.7 million GR and 38.4 all

funds will also allow HHSC, DADS, and DSHS to implement the new ACA-required provider and supplier screening enrollment requirements for both Medicare, Medicaid and Shield, and to enroll providers in accordance with the new designated risk goals of below, moderate and high-risk. Part of that process involves that those providers that are designated as moderate or high risk receive an onsite visit prior to being allowed into the program. And for those designated as high-risk, they must also have a fingerprint check as well. That will conclude my presentation. I will now answer any questions you may have about the Office of the Inspector General.

Sen. Hinojosa: Let me ask you a couple of questions if I may, because I know from several stories in newspapers about your procedures at the OIG, and I think we all want to eliminate fraud. And if we find out about fraud or criminal wrong-doing, then we need to prosecute. But there was a complaint about – that you paint with a broad brush and use the term “broad” very loosely. And I hear some of the cases myself, where you take 6 to 8 years to do an investigation – or at least the OIG, and I was there when it was being done. And what are you doing there to speed up the process?

Wilson: Well, I’ll speak to a couple of things, Senator. Presently, the process is – you talked about indictments, convictions and cases. My office is sort of the front end of the investigative process. We get the initial complaints comes to my office. We’re responsible for conducting what’s known as the integrity review to see if there’s anything actually behind the allegation. Once – and I believe in this case, we were talking about the credible allegation of fraud hold that you’ve seen in the media – once we believe that we’ve verified the credible allegation, if fraud is suspected, I’m required to send that fraud to the Medicaid fraud control unit.

To date, every CAF hold we’ve placed has been accepted by the Medicaid fraud control unit, which to my mind is another validation that what we think we’re seeing they also say that does look like fraud. They’re the guys responsible for the indictments and convictions. On my side, once I see that there’s a credible allegation, I’m required to place a vendor hold on that provider. I was just last week in South Carolina with other Medicaid fraud control directors and PID program integrity directors across the nation About 41 states were represented and the director of MFCU was scheduled to present with me. The discussions were around this CAF hold process. Texas is definitely seen as the leader with regard to how we handle the process. And they wanted me to document and hand out letters that we send, our process for – sort of the checks and balances that we have internally for – my deputy of enforcement places a hold on. He reviews every CAF hold as an attorney himself, former prosecutor for state and federal...before we ever met. It passes on to my sanction staff. The attorneys over there review the CAF hold. They are the ones who actually send out the letter once they validate Jack’s process. And then we send it over to the Medicaid fraud control unit for them to pursue the case criminally. On our side ...

Sen. Hinojosa: If I may – you’re sort of jumping ahead. From my initial investigation, many times you sometimes place a CAF hold – based on what you call credible evidence.

Wilson: Yes.

Sen. Hinojosa: That’s a very subjective term. I mean, how do you determine credible evidence?

Wilson: Well, the current process involves not just receiving the complaint from whoever happens to call. We will actually go out and collect evidence on that provider. We will have our staff review that evidence. In every case, we also have a consultant that we contracted with. So let's say if we are talking about a dentist or an orthodontic case. We'll have an orthodontist or a general dentist review those records. After they get to the end of their review and we get the report that tells us what they found in most cases, we've seen very high error rates on average. I think the average rate's around 93% or higher. Some are as high as 99%.

Once we get that back from another professional – in some cases, we've got more than one professional in this case – that comes back and tells us that looks extremely bad. The error rate is extremely high. And some of the examples we get are literally horrendous. At that point, we believe that we have a credible allegation. We will place the vendor hold on.

In the meeting I was talking about in South Carolina, they were talking about the feds have already visited their offices. And clawed back federal dollars because they saw the credible allegations, believed there was one. They sent the referral to the law enforcement agency, Medicaid fraud control to give them an opportunity to see if there was a law enforcement exception, something from them saying we're doing a criminal case, if you put the hold on, you'll damage my investigation. Within 48 hours of them not putting the hold on, the feds would tell them that the state pay us back. Which the state was saying that's not reasonable. To which I agree. But I only use that as an example to illustrate the feds are serious about this. And since it's come out, my office has taken it very seriously as well.

Sen. Hinojosa: Well, Mr. Wilson, I think the state ought to be serious also. I want to help you do a better job.

Wilson: Thank you sir.

Sen. Hinojosa: But there are a whole bunch of cases out there where those vendor holds come in immediately and keep the health care provider on hold and then you never file charges, you never find any wrongdoing. You're ... 6 years. You close the case, you start again 6 months later. And I'm trying to find ways to either make this process a lot more streamlined and get to a point that if there's someone who's committing fraud, you quickly put a vendor hold or indict him. I see that happening in some cases, but in others, it is not. And I guess I'm trying to find out how can we streamline the process so that you don't have such a wide net. And use the word fraud very loosely and many times ruin someone's reputation and have to hire high-priced lawyers to defend themselves. And the other day, most of the time – a lot of times – they end up winning in court.

Wilson: I'm not familiar with the last part of your statement. Here's what I can speak to, Senator.

Sen. Hinojosa: There's a case right here that was appealed. I can give you the names... if you like –

Wilson: I think you're talking about a dental case. And the process you're talking about was not about the merits of our case, in terms of whether or not there's a credible allegation of fraud or not. That particular case was around whether or not my office had the authority to even place the hold on to begin with. The answer is yes, we do have that authority. And there was some

comment around how much we proposed based on what we had. But we haven't lost that case yet because it's gone to SOHA regarding the merits of our case on whether or not we do have somebody that we placed on CAF hold that shouldn't be on one. We have not lost one of those yet.

Sen. Hinojosa: I disagree with you, sir. I know of at least three cases that I've been involved in where constituents of mine came to complain, and you all didn't find any wrongdoing whatsoever. And again, I don't think it was under your watch. But it has happened.

Wilson: If it's happened before me – it might have.

Sen. Hinojosa: I think TMHP was involved in that. They couldn't even explain the codes they used to process the guy's claims. And I want to work with you because one of the complaints we received was there no due process. And we say it is. I think it was Mr. Stick said it was ludicrous to think there was no due process. Well, I don't know. What do you call due process?

Wilson: So let me explain the process. So credible allegation process –

Sen. Hinojosa: I want to know what do you mean by due process?

Wilson: I'm about to get to that. The credible allegation of fraud hold is only new in this regard. Number 1, we're required to do it. Number 2, if we don't do it, the feds get money back. We've always had two administrative processes available to us. I started doing this work 25 years ago. One was prepayment review, when you send in a claim. You can look at the claim, validate it and then pay you. The other being vendor hold. Vendor hold has always been in place. That is always something we were able to do prior to getting the provider's permission. The vendor hold – if we suspect that we're about to pay you for something you didn't do, we can place a vendor hold. The due process comes in after the vendor hold is placed, in this case CAF holds are now placed, you have the option to now request an expedited hearing within thirty days or you can file with SOHA. Not my office. A provider can go to the directly to the SOHA and ask for a hearing. So someone else, a third party, not my office, can hear their evidence and make them That's the due process.

Sen. Hinojosa: Well Mr. Wilson, I've to tell you that you better check with your staff. I know certain constituents of mine who have asked for informal meetings with your office and they were denied that.

Wilson: Informals?

Sen. Hinojosa: Informal meetings with your office, sir. And I'll be glad to meet with you and give you their names and whatever. And the other issue deals with the right to an attorney. At least one of your investigators have been quite abusive in the way they go in there and have worse behavior than the FBI. At least the FBI when they go in there to look at records, they treat the health care provider with respect. So we have some of the investigators go in there and become very abusive with employees and the healthcare provider, who is a doctor or a specialist or whatever

Wilson: Senator, that is inappropriate. I appreciate it and will look into it.

Sen. Hinojosa: Yeah. I will share that with you. And also sometimes they refuse to allow the attorney to be present while the investigators ask questions of the health care provider. The statute is pretty clear on that, that they cannot be denied their right to counsel.

Wilson: I may need to call my chief counsel up here. If you are asking about my investigators going to interview someone in a non-custodial process, about their payments for Medicaid, I think we hold the position that yes we can talk to that person without their attorney being present.

Sen. Hinojosa: Well, statute doesn't say that. I can show you a copy of the statute and you can talk to your general counsel about that. It's not in the statute.

Wilson: Yes sir.

Sen. Hinojosa: The other issue the [...]. Many times, you asked for records going back 8 to 10 years –

Wilson: 18 years?

Sen. Hinojosa: 8 to 10 years. And I have the letters where you requested the information. And you gave them 24 hours to produce that information. And when they asked for an extension, it was denied. I would be glad to meet with you in person and go over all the documentation and its documented. I've been on this issue now for at least 6 years –

Wilson: Sure.

Sen. Hinojosa: in trying to help the OIG at least provide a better structure. I think all of us are against fraud.

Wilson: Sure.

Sen. Hinojosa: Do you follow us? People ought to be punished. I think all of us want to prosecute somebody committing fraud.

Wilson: Sure.

Sen. Hinojosa: But we need to also at least be cognizant that the state has a lot of power, and be careful not to abuse that power in trying to just stop the flow of Medicaid money and leaving a lot of patients without healthcare that they're entitled to. I know in certain areas of the healthcare arena, there's a lot more abuse than in others. I'm aware of that. All I'm trying to do is set up a structure by which you can do your job but at the same time, minimize what I see as a lack of due process and what I see as very subjective terminology, very subjective standards that you all use. You're not an attorney, are you?

Wilson: No sir, I am not. I have attorneys around me who do this work. I ... knowing or reckless. A couple of things to address what you said: providers are only required to keep records for 5 years. So if my staff has asked anyone for records going back 8 to 10, I want to know about it. Now in the event that a provider happens to have records beyond the five-years on hand – we can request those records, but they're not required to retain them beyond that.

Sen. Hinojosa: That is correct, Mr. Wilson. It's 5 years, but your investigators insist on getting them for 10 years. You know, I have all this documented.

Wilson: Sure. I'd like to find out about it.

Sen. Hinojosa: It is not that I am making this stuff up. I mean, I have the files on those types of complaints and situations. And I would like to work with you because I talked to Chairman Nelson in terms of the structure as we do go after those people who abuse the system. But at the same time, I would like to see more due process, and more objective criteria when you accuse someone of fraud and put a better hold because there is some blip on the methodology that you're using that might not be appropriate for reasons of the state.
Senator Nelson.

Sen. Nelson: Thank you Mr. Chairman. Let me clarify something that I think I heard you tell Sen. Hinojosa. If you are required under federal law to suspend a Medicaid provider's payments when you find a credible allegation of fraud.

Wilson: Yes we are.

Sen. Nelson: If you don't do that, the federal government will discontinue its matching funds? Is that right?

Wilson: Yes. And actually, they ask for them back.

Sen. Nelson: Ask for them back! So we are fully liable for any additional Medicaid payments after that point.

Wilson: Yes.

Sen. Nelson: Hmm. I, like Sen. Hinojosa, certainly want to allow for sufficient due process.

Wilson: Yes.

Sen. Nelson: I guess I should provide the disclaimer that I am not an attorney. Okay? I certainly believe that those who are accused are entitled to due process. I also believe that there are some people out there committing serious fraud that would like to hold up the process and complicate matters to the point that I don't know how much time passes.

I cannot tell you how angry I am. Every time I hear on the news – and it's on at least once a week – another unbelievable story about fraud that has been committed. And I have a feeling that some of

these people may indeed be committing fraud. And not only am I furious because of the money that we are losing that could go to people who need it, but when I hear about some things that they are doing to our children, I get so angry.

And I know that I'm not allowed to talk about some of these things. But I've been able to find out some of these things. And just today – and I'm going to be real careful about what I say to you – but I'm going to ask you some questions about what I found out today that just infuriates me! And I want to do –giving people their due process – giving whatever tools that you need to go after these people who are doing this.

So okay. Let me ask you this: without talking about specifics, I am going to ask you how frequently you were witnessing some egregious acts on children like multiple crowns and root canals on baby teeth, sometimes on children as young as 2 years old. Is that happening? Is that common?
[20:29]

Wilson: Yes it is, Senator. Very common. We get complaints about it and validate it all the time.

Sen. Nelson: Oh! Again, without going into detail, there was a board-certified pediatric dentist who reviewed 88 patient records of an individual who may have been committing those kinds of horrible acts on a 2-year-old, who had an overpayment rate of 99.6%. Is that very common? I think I heard you say that earlier, that you go in and look at records where there is 90 to 99% overpayment.

Wilson: That is correct Sen. Nelson. The average error rate we are seeing is around 93%, and we've had some providers that are caught at 99% after our consultants have reviewed the files. It may have been a private practice dentist or whatever type of position they have and they are literally appalled by the kinds of things that they are seeing in a patient file and the mouths they are looking at that someone actually –

Sen. Nelson: a root canal on a 2-year-old?

Wilson: 7 at one time in one particular case, with over 16 crowns in the same day.

Sen. Nelson: I am putting those people on notice right now. I'm going to do whatever – you tell me what tools you need, and I'm going after them. Let me ask you – I don't know if you are familiar, I filed a bill, I don't even remember the number – that would try to get a better handle on these dental service organizations. And I'm hoping that that bill will help address some of the problems that we're hearing about. Have you had a chance to look at that, and can you give us any suggestions to make that better? [22:21]

Wilson: Yes, Sen. Nelson, absolutely. You're referring to Senate Bill 151.

Sen. Nelson: There you go. Good bill.

Wilson: I am familiar with the bill. It is a good bill. We think that will absolutely help with many of the things that we're seeing to date. We get phone calls often about parents taking the kids – I had

one guy visit with me. He called me personally because he took his kid to the dentist. He had one problem with a tooth. His father was a dentist so he kind of knew about it. When they brought the kid back, they told him that all of his teeth needed to be capped and he refused. He went to another dentist and it was only one. He called me back and asked, "what are you guys doing in the Medicaid program?"

Sen. Nelson: mmhmm.

Wilson: I mean, it's atrocious. That bill, Senate Bill 151, we think he is a definite step in the right direction and will help us combat fraud and abuse in the Medicaid program.

Sen. Nelson: I'm going to have some very good witnesses come and testify about some of the things that they are being required to do on children. And I have to tell you that I am – and it's not just the money. It just makes me ill to think that people are doing this to our kids. And going back to Sen. Hinojosa's point, I want to give people due process.

Wilson: Absolutely.

Sen. Nelson: I also think there may be people who are manipulating some of us who aren't lawyers and don't understand exactly all this to delay the investigations and the payments. And I just – we seek your help. If whatever you need in our budget process, I think your guys are probably paying for themselves if I understand how much money were getting. [22:51]

Wilson: Yes, Senator, yes we are. You have asked Commissioner Janek that question earlier. Our return ...in 2012 for investigators who worked these type of cases is right now around \$17 million per investigator.

Sen. Nelson: Per investigator?

Wilson: Per investigator. Based on the returns we're seeing over the past year, and the dollars are out there that have been overpaid.

Sen. Nelson: There you go. Well, thank you for what you're doing. Keep doing it.

Wilson: Thank you.

Sen. Nelson: I don't want to keep reading about these things.

Sen. Hinojosa: 1 million?

Sen. Nelson: 17 million.

Sen. Hinojosa: 17 million. What kind of training do they have?

Wilson: Sorry?

Sen. Hinojosa: What type of training do the investigators have?

Wilson: Some of our investigators are former law enforcement guys. We've got some guys that are former FBI agents. So it just depends on who we have. ... investigators as long as I've been in this business as well. It's varied, the same as when I was in the Medicaid Fraud Control Unit, it sort of depends on the investigator.

Speaking of training: we're having and Inspectors General training going on next month and we are sending most of our guys to get certified as investigators and as auditors for this type of work. So we are forth in training all the time. [24:53]

Sen. Hinojosa: Well, I forward to getting together and reviewing with your staff...

Wilson: Absolutely.

Sen. Nelson: Let me ask you, if I may. Are you seeing mainly errors or mistakes or is there something more planned that is going on in this whole Medicaid dentistry area?

Wilson: Sure.

Sen. Nelson: Are these – Medicaid/medical care as well.

Wilson: That's a very fair question, Sen. Nelson. Some of the things – we spend a lot of time talking about our investigations where we are making referrals for fraud. I have staff and additional review staff, that catch errors all the time. And while it's an error, we have to recover the money. We will provide education, technical assistance about we've noticed a blip on the screen and stuff like if you're not certain what's going on, send us the records. Those are mainly nurses who do that for us. They are not investigators. They'll have them send the records in to Austin. They'll review it, note the errors, send a recovery letter, send the notice back to the provider. We will do an internal recoupment with the payment administrator. That goes on all the time.

The cases we're talking about are more along the lines you're talking about where it's beyond what we believed to be just a billing error. We've sort of verified that more things are going on. An investigation has taken place. And at that point, then were talking about we're seeing patterns that look more than just an accident or an overbilling. In some cases, it is overbilling. Those are not the cases we are talking about placing a credible allegation of fraud hold on.

Sen. Nelson: Mhmm. Well I'm hearing stories – in fact there were a couple of news stories I saw about vans going down the street and recruiting kids. In fact, I got a picture of a van with a sign on it that says “free Medicaid dental.” And these vans, free Walmart gift card, free pizza. Isn't that illegal, by the way? I mean, does that really happen?

Wilson: Yes, ma'am, it does. We've had a number of cases where there's been a solicitation of Medicaid clients. We've issued penalties. I want to say our penalties issued is around \$27 million against providers who are participating in illegal solicitation of Medicaid clients.

Sen. Nelson: That is illegal, right?

Wilson: Yes, ma'am.

Sen. Nelson: I thought it was. Well, keep after them. Thank you.

Wilson: Thank you.

Sen. Hinojosa: Dr. Deuell

Sen. Deuell: Thank you, Mr. Wilson, for being here. You say you're not a lawyer. I'm just curious: what is your background?

Wilson: I am a certified public accountant. I spent 6 years as a deputy director of the Medicaid Fraud Control Unit. I was also a CPA and a former FBI agent.

Sen. Deuell: So you're looking at it from that perspective. Going to your funding: the increase in personnel and funding – did you want to be able to look at more cases? Do you want to expedite the number of cases you're looking at? Where are your limitations to your department in terms of funding now that we can address?

Wilson: Great question, Sen. Deuell. I want to do both. Our referrals have increased. You know, we created a fraud hotline in the past year so that we can control the calls that are coming into the office and get them plugged in to the right area of the Office of the Inspector General so that we can begin to investigate. And we also want to be able to sustain the shortened time frames that we have today.

When I took over the Office of Inspector General, we only had 20 staff assigned to actually investigate Medicaid provider investigations. We've almost tripled that now, which has allowed us to shorten those investigative time frames. I mean, you know, it sounds horrible that our investigators were not working but there were 20 of them, and the cases are stacking up. They just couldn't get to them. So we have made those corrections. But in order to sustain that, I've got to get enough staff

Sen. Deuell: Yeah, that's kind of what we hear with the Texas Medical Board on inquiries into complaints was that if the doctor's doing something bad, a long investigation is not good either. And if the doctor hasn't done anything, a long investigation isn't good.

Wilson: Agreed.

Sen. Deuell: And what I'm hearing and I'm sure you've heard and the TMA and other physician and provider advocacy groups are saying is that the process is taking too long. It's not fair to the public if it's a bad player and it's not fair to the accused if they're a good player. You said that everything you've recommended to the Medicaid Fraud Division they have accepted. Do you do this by outliers, statistics –

Wilson: Personally, we have a system called the Medicaid Fraud and Abuse Detection system that sort of identifies – we can build targeted queries where we think we want to know about an issue. And the system will tell us, “yes there appears to be 5 people billing this code and it doesn't quite fit the other diagnoses. You may want to take a look.”

Sen. Deuell: So you are looking at outliers.

Wilson: Outliers, yes.

Sen. Deuell: And that's done by a computer or do you –

Wilson: It's done by a computer. We do work with our staff and build the queries of what we think we're looking for and then we get the results.

Sen. Deuell: That's done routinely without a complaint.

Wilson: To date, we've got about 60 queries that we run all the time.

Sen. Deuell: Yeah, but as you get a complaint –

Wilson: Then we go look.

Sen. Deuell: – then you look at that. Now about the cases that you sent to the Medicare fraud folks, what's the percentage of positive findings?

Wilson: And that's where the cases take on different life over there, too. They have ... and high caseloads. I want to say they have let's say, 450 caseloads open. They have 3 times that amount, the cases that they're working. So once we refer them over, some of those cases – and I don't want to speak for them at all – but it can take a couple of years for them to work through a case to get a result.

Sen. Deuell: So we're going to hear from them perhaps too, but are – to speed this process up and to be fair to the public and the accused who aren't doing anything, do we need to be upping our funding to them, too, to speed this whole process up? Where's the weak link? Is it your division or theirs? And I don't – I guess you won't answer it that way. Where can we speed this process up and let you do your job, get rid of the bad players and be fair to the people that haven't done anything but for some reason popped up as an outlier?

Wilson: I actually think the 1st step in terms of giving us additional FTE so that we can really when the complaints come in – this is something I've been talking to my staff about for a long time – ideally, I would love to have a complaint come in and if it sounds horrible, immediately tell one of my investigators to take a look at that right now.

Sen. Deuell: Yes sir.

Wilson: And in some cases, were pulling those that are extremely egregious and saying we must stop that immediately. But over time, there are just so many interesting, challenging things that are occurring, you're trying to hit 1 million things at once, and staff is saying, "you're kidding." And so were trying to balance it. I think with the staff were asking for now, I think were going to do a much better job staying in that timeframe of 8 to 10 weeks conducting our investigations. And as we get better at these investigations, our consultants get more familiar with our cases and the work we're doing here. I think the process itself gets about more efficient.

We're also working with Medicaid Fraud Control in terms of how we can help them further their cases as well and the kinds of things they need from us to make those cases easier to present to prosecute.

Sen. Deuell: Yeah. Okay, well that's the issue, then, is funding for your department to let you do your job. And I think we need to, you know Mr. Chairman and Chairman Nelson, we need to looking to the Medicaid Fraud folks and saying we need to help them speed this thing up. Because you know, I talked to a lot of providers, too, and there was one case and it was 11 months and the person was exonerated, but their funding was cut off, and it essentially bankrupted their practice. And you know, sometimes there are reasons you're an outlier, and they're good reasons. It depends on areas of specialty and what you do with your practice and all of that. And we can't be letting people go through that unfairly. You don't want that.

Wilson: I agree completely, Senator.

Sen. Deuell: It's a court system. Sen. Huffman was a district judge and all that. Sometimes some people get put through a lot and we need to minimize that as much as possible. And I know you agree.

Wilson: Absolutely.

Sen. Deuell: Thank you. Thank you, Mr. Chairman.

Sen. Hinojosa: Sen. Lucio.

Sen. Lucio: Thank you, Mr. Chairman. I just have some very brief questions. A couple of questions: the first one is how many individuals have had their funds frozen and not convicted of fraud? And maybe you can just look at last year, calendar year that you can remember, more or less.

Wilson: I have no idea. The CAF process just became effective in March 2012, so for us, we just sort of started it.

Sen. Lucio: So we are just starting to freeze funds, then?

Wilson: There's been a hold process – it's always been there. The distinction with the CAF hold process is the two things I mentioned earlier, which is we're required to do it. If we don't, we owe the feds the money back. So because of that requirement, we've been much more aggressive in

placing them on because they're looking behind what we do. At the end of December, we had 91 – I want to say today, end of January, a little over 100. I'm looking at my deputy for enforcement Jack Stick to confirm.

Sen. Lucio: A hundred? A hundred? What does that represent? Not being convicted? Or frozen funds?

Wilson: That represents frozen funds that have been referred to the Medicaid Fraud Control Unit.

Sen. Lucio: You don't know how many of those one hundred frozen funds have not been convicted. Those cases.

Wilson: I don't know. That's really a question for the Medicaid Fraud Control Unit.

Sen. Lucio: Do you know my many were dental and how many were medical?

Wilson: At the ...part of December, 36 of them were orthodontists. I have a list by discipline of the types of providers we referred. Some are DME Companies. DMEs, Durable medical equipment providers. Some are dentists (some are practitioner dentists) some are orthodontists, some maybe [...]

Sen. Lucio: Are they all over the state or just in my hometown?

Wilson: They're all over the state.

Sen. Lucio: That's a good question. I'd like to know. I'd get after them myself.

Wilson: Yes sir.

Sen. Lucio: Thank you.

Sen. Hinojosa: Sen. Wilson, thank you for your testimony.

Wilson: Thank you.

Sen. Hinojosa: There's no more questions, and we'll follow up and some of this.

Wilson: Thank you.