



LEGISLATIVE BUDGET BOARD

HHSC Contract Reporting and Oversight

**PRESENTED TO HOUSE GENERAL INVESTIGATING AND ETHICS COMMITTEE
LEGISLATIVE BUDGET BOARD STAFF**

FEBRUARY 15, 2018

Presentation Overview

- Contract Reporting Requirements
- HHSC Reporting Compliance
- Attestation Letters
- Contract Oversight

Contract Reporting Requirements



LEGISLATIVE BUDGET BOARD Overview of Contract Reporting Requirements 2018-19

CONTRACT REPORTING REQUIREMENTS

WHAT IS A REPORTABLE CONTRACT?

An agreement to acquire goods or services that exceeds the dollar thresholds described to the right. This includes contracts, purchase orders, interagency agreements, grants, and any other kind of purchase of goods or services.

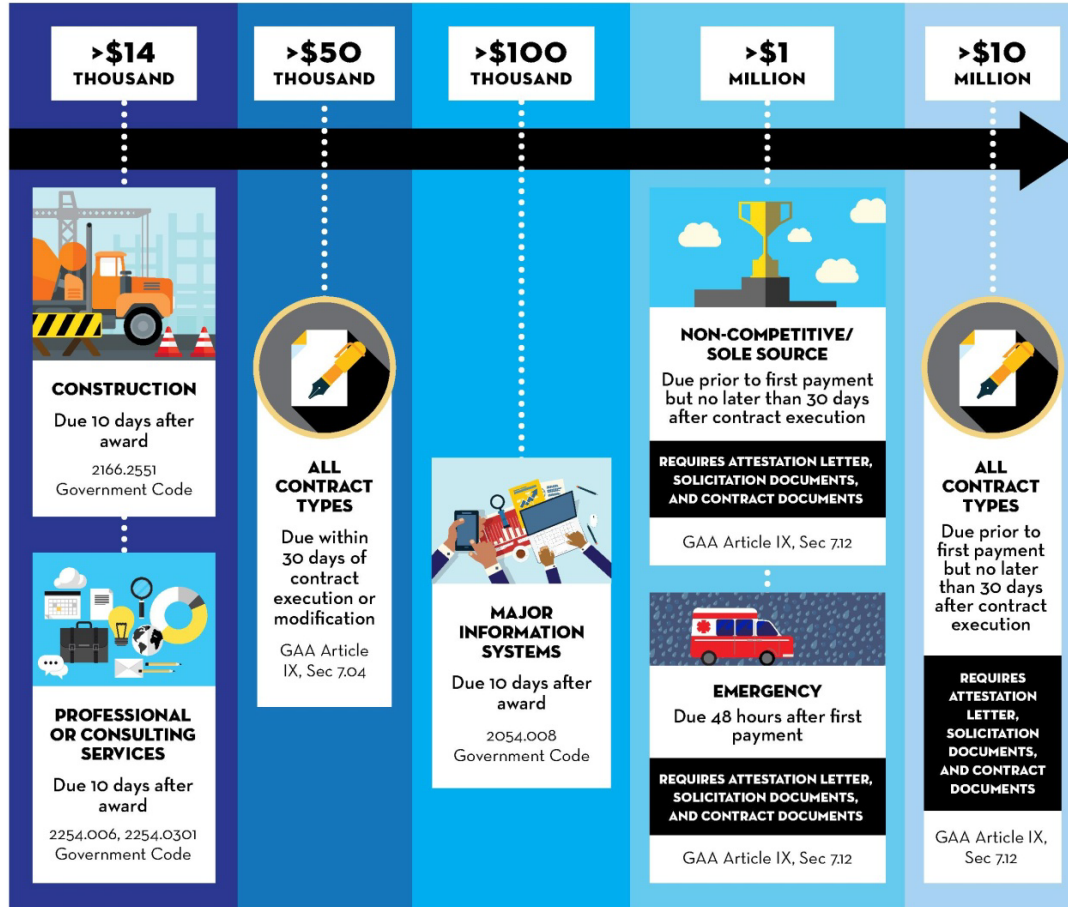
WHAT NEEDS TO BE REPORTED?

Contract information must be submitted to the LBB Contracts Database by the required deadline. The solicitation, contract, and any other required documents must also be attached. Some exemptions do apply.

WHERE CAN I LEARN MORE?

Visit <http://contracts.lbb.state.tx.us/> or email contract.manager@lbb.state.tx.us for more information on reporting requirements, exemptions, attestation letters, and other frequently asked questions.

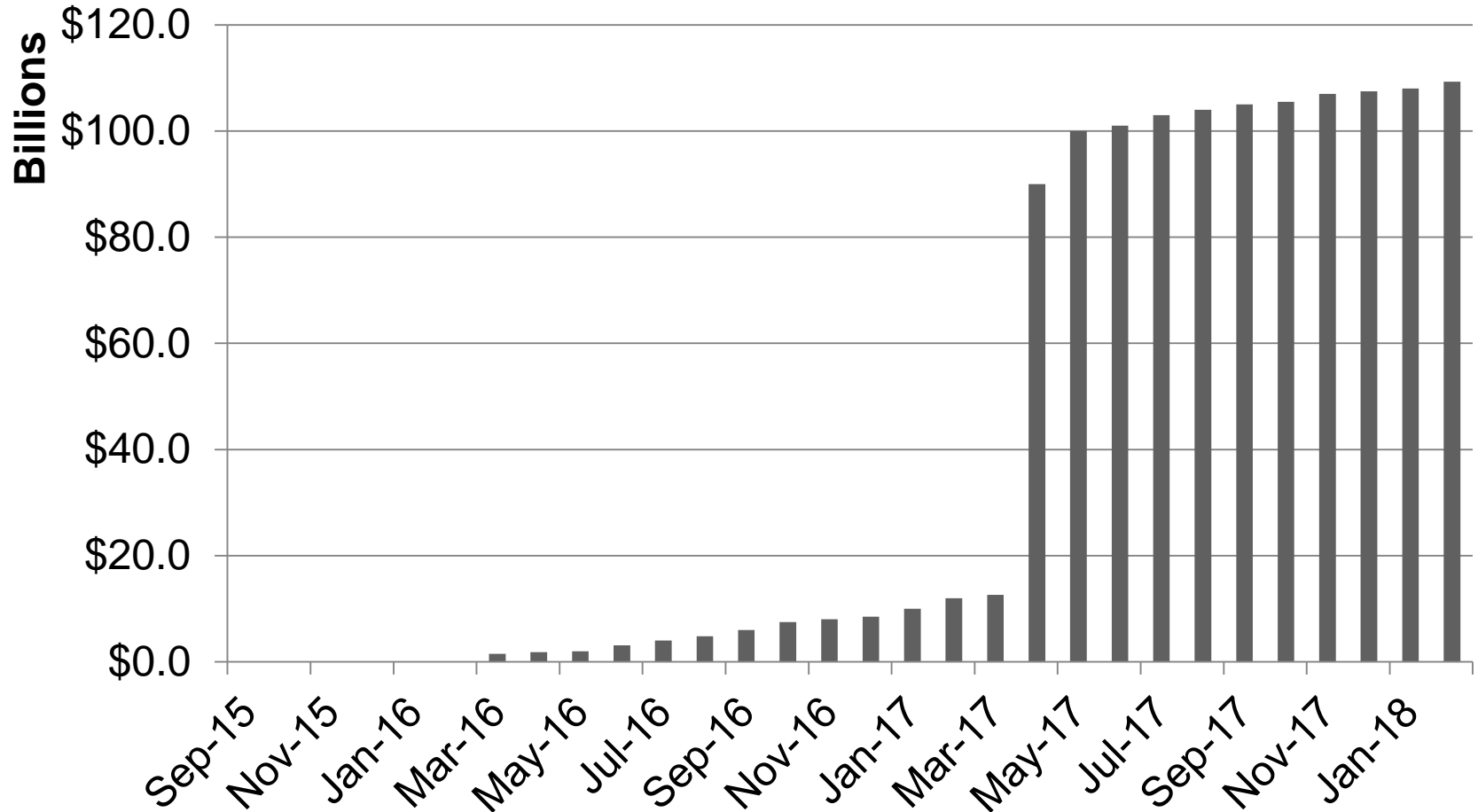
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JUNE 2017

HHSC Contract Reporting Compliance

Dollar Value of Contracts Reported by HHSC



Managed Care Contracts

HHSC has reported 50 managed care contracts worth \$91.8 billion. 48 are still active (worth \$91.7 billion). All have the required attestation letter.

10 Largest MCOs	Total Value of Contracts	Number of Contracts
Superior	\$20,119,112,559	7
Amerigroup	\$16,016,142,963	5
United Healthcare	\$10,297,770,360	3
Molina	\$9,372,199,193	4
Texas Children's Health	\$5,656,397,948	2
Community Health Choice	\$4,440,883,072	1
Dentaquest	\$4,133,571,752	1
MCNA Insurance	\$3,185,126,414	1
Healthspring	\$3,055,979,119	3
Parkland Community Health	\$3,019,141,048	1
Total of Top Ten MCOs	\$79,296,324,428	28

SB 20 Contract Reporting

SB 20, 84(R), requires agencies to post each contract it awards to a private vendor on their agency website.

Contracts Awarded by HHS

Home > Doing Business with HHS > Business and Contracting Opportunities > Contracts Awarded by HHS

Doing Business with HHS

- ▾ Business and Contracting Opportunities
 - Contracts Awarded by HHS
 - Contracts of \$100,000 and More
 - Grants
 - Historically Underutilized Business Opportunities Program
 - Immunizations and Vaccines
 - Licensing, Credentialing and Regulation
 - Medicaid Provider Enrollment
 - Office of the Inspector General
 - Open Enrollment Opportunities
 - Provider Portals
 - Provider Self-reporting

Pursuant to [Senate Bill 20](#) passed during the 84th Texas Legislative Session, this information is made available to comply with the requirements for transparency in state agency contracting and procurement set forth in the bill. To obtain a copy of any of the documents listed please contact the [HHSC Open Records Coordinator](mailto:HHSC.OpenRecordsCoordinator@hhsc.state.tx.us) at OpenRecordsRequest@hhsc.state.tx.us.

Last updated: January 18, 2018

Vendor	Amount	Start Year	End Year	Items per page	
<input type="text"/>	> \$1,000,000	-Year	-Year	25	Apply

Start Year	Vendor Name	Contract or PO Number	Max Amount	Solicitation number or Statutory or Other Authority for not Competively Bidding	End Date
11/27/2017	SOLIANT HEALTH INC	HHS000055500001	\$2,000,000.00	HHS0000555 391.205(b) (5)	8/31/2019
11/8/2017	DK PARTNERS PC	HHS000050100001	\$1,196,616.00	TX Govt Code, Sec. 2254.001	11/30/2018

HHSC regularly updates their website with a list of contracts. As of Feb 13, 2018, several contracts on the HHSC website have not been reported to the LBB database. Contract documents are available through an open records request. SB 533, 85(R), exempts agencies from posting contracts to their website if the contract is submitted to the LBB contracts database

Article IX, Section 7.04, 2018-19 GAA

Section 7.04(g)(h) requires notification of amendments that change an initial contract's value by ten percent (10%) or more in the previous reporting period, which must be reported to the Governor, the Lieutenant Governor, and the Speaker of the House of Representatives.

For Q1 FY2018:

- 61 agencies reported 1,424 amendments to the Contracts Database that met the value threshold for Section 7.04(g)(h), valued at over \$18.0 billion.
- As of February 13, 2018, HHSC had not provided the LBB the information required in the rider.

Attestation Letters

Art IX, Sec. 7.12 of the GAA requires a letter, signed by the executive commissioner or designee, for each procurement over \$10.0 million and non-competitive procurement over \$1.0 million attesting that:

1. The procurement complied with all applicable statutes, rules, and policies;
2. The agency has an effective process to verify vendor performance and deliverables;
3. The good or services being procured are necessary; and
4. There is a continuing duty to report any changes to the information provided.

Attestation Letters

HHSC Attestation Letter Compliance

Contract Type	Contracts with Attestations	Contracts without Attestations
\$10 million+	139	130
Non-competitive between \$1.0 and \$10.0 million	55	106

- The combined value of contracts with attestation letters is \$99.5 billion. This includes all managed care contracts (\$91.0 billion).
- The combined value of the contracts without letters is \$5.4 billion.

LBB Contract Oversight

LBB Staff Contract Reviews

2018–19 GAA, Article IX, Sections 7.04(f) and 7.12(f)

- LBB staff are authorized to conduct reviews of contracts to ensure compliance with best practices and any applicable statutes, rules, policies, and procedures.
- The Director of LBB may provide confidential written notification to the Comptroller, the Governor, and/or the Legislative Budget Board of any unresolved violations identified.
- Starting 9/1/17, the written notification may include enforcement mechanisms based on existing legislative authorities.

For example:

- Concerns over the procurement of non-emergency medical transportation services were communicated to the agency and ultimately published in the LBB Staff Report (Jan 2017).

QAT Contract Oversight

Quality Assurance Team (QAT) Contract Reviews 2018–19 GAA, Article IX, Section 9.01 (d)

- Effective September 1, 2017, agencies are required to submit Major Information Resource Project contracts valued at more than \$10.0 million to QAT for review and approval.
- Submitted contracts must be the final draft version, and must be signed by the vendor but not the agency.
- Contracts will not be valid without QAT's written approval.
- This submission will help to fill the oversight gap in information technology contract formation.

For example:

- QAT will be reviewing 3 major (\$10.0 million or more) IT procurements related to major information resource projects under QAT oversight.

Other Contract Oversight

- Federal
 - Department of Health and Human Services/Centers for Medicare & Medicaid Services
 - HHS Office of Inspector General
- State
 - State Auditor's Office
 - Sunset Commission
 - HHSC Office of the Inspector General
 - HHSC Internal Audit
 - HHSC Medicaid/CHIP program staff
 - Comptroller of Public Accounts/Contract Advisory Team



LEGISLATIVE BUDGET BOARD

Contact the LBB

Legislative Budget Board

www.lbb.state.tx.us

512.463.1200