



Texas' OIG Violated The Heidi Group's Due Process Rights

The Texas Health and Human Services Commission's Office of Inspector General (OIG) recently released a "Final Report" regarding its investigation into The Heidi Group's performance in Texas' Women's Health programs. The Final Report contains numerous errors that the OIG could have avoided if it had interviewed Carol Everett, CEO of THG. The failure to interview her violated THG's and Everett's due process rights.

In response to the Final Report's errors, The Heidi Group notes the following facts:

1. The OIG departed from standard investigative practices by making substantive findings without ever interviewing the subject of its investigation. This breach of fundamental due process rights occurred, notwithstanding the fact that the OIG interviewed a number of former THG employees, including one recently arrested by the Williamson County Sheriff's Office for illegal intrusion into THG's IT system.
2. The preponderance of the Final Report's financial findings stem from the OIG's incorrect conclusion that THG's \$50 per-patient payment to providers to help fund the programs' administrative costs was "unbudgeted." To the contrary, this fee was included in the THG budget-proposal that HHSC approved in the summer of 2016. Moreover, it was approved again in THG's contract renewal in August 2018.
3. The Final Report erred by concluding that THG improperly allocated costs between the Texas Healthy Women's Program and the Family Planning Program. The truth is THG used the complained-of 50/50 cost-allocation pursuant to a budget that HHSC approved in the summer of 2016. In April 2018, THG shifted to a proportional cost allocation between the programs, upon receiving new guidance from HHSC.
4. The Final Report grievously undercounts the number of patients actually served by THG. As the Texas Medicaid Health Program's Remittance and Status (R&S) reports reveal, THG served over 30,000 patients (see attached chart). THG made these R&S reports available for OIG review, but the agency's investigators failed to follow up.

5. The Final Report makes several findings (Numbers 3, 4, and 5) already resolved by THG and repaid to the State. The fact that the OIG apparently was unaware that these three findings have been settled indicates that the OIG was operating with incomplete or incorrect information.

For additional information, please contact Carol Everett at [512-255-2088](tel:512-255-2088).

The Heidi Group

Providers	2017		2018		2019		Total Numbers:
	FPP	HTW	FPP	HTW	FPP	HTW	
Bryan Medical Associates		82	7	157		16	262
Christy Scoggins Family Clinic		99	81	105			285
Community Wellness Clinic		903	1,185	1,602	555	616	4,861
Eliud Acevedo, MD		31	61	38	9		139
Health 4 U Clinic - FW & Arlington		821		1,710		81	2,612
Health and Allied Health		1,929		4,525		1,025	7,479
Heritage Healthcare Clinic				14			14
Hillside Family Health Clinic		323	211	393	43	34	1,004
Life Choices Medical Clinic		302		1,360		1	1,663
Michael A. McFarland, MD			7	52			59
Rio Grande Women's Clinic McAllen		46	102	3	17		168
Rio Grande Women's Clinic Alamo			101		18		119
Rio Grande Women's Clinic Edinburg			50		30		80
Rio Grande Women's Clinic LaJoya			16		48		64
Treat Now Family Clinic - Mineral Wells and Arlington		1,052	146	1,944	31	370	3,543
Tyler Family Circle of Care w/ Jacksonville	214	220	2,776	47	943		4,200
Heidi Clinic			114	32	148	17	311
The Heidi Group	1,398		438				
Tenison		1,054		7			1,061
Valley Women's Care		37					37
Menager Family Clinic				4			4
Lewisville Women's Clinic			1			697	698
Totals:	1,612	6,899	5,296	11,993	1,842	2,857	30,499
The Heidi Group (All Billed through THG FY2017 FPP)	*1,398						