

# Brief Summary of Situation with Texas Medicaid and Harlingen Family Dentistry

- 1) Harlingen Family Dentistry has been a Medicaid provider since 1983 when it was established by Dr. Juan D. Villarreal, a Harlingen native, educated in dentistry at the University of Texas Health Sciences Center at San Antonio. Over the years, his practice has grown exponentially because of its dedication to serving the people of the Rio Grande valley and its professional excellence. HFD now employs twelve other dentists and has a staff of 140, one of the largest dental practices in the country. Dr. Villarreal was appointed by Governor Perry to the Texas Board of Dental Examiners in 2001 and remained until 2008. He is also a past president of the Hispanic Dental Association.
- 2) In May of 2011, media reports surfaced in Dallas that Texas Medicaid spending for orthodontia services for children was \$184 million dollars in 2010. This amount was more than the combined Medicaid orthodontia billings for the rest of the country. These reports also focused on claims that large corporate dental chains in Texas had been allegedly providing questionable orthodontic services to Medicaid-eligible children in order to exploit the Medicaid system for extreme profit.
- 3) Further, the media uncovered that ACS, the Texas Health and Human Services Commission's contractor with which it partnered under the Texas Medicaid and Health Partnership (TMHP), had been for years "rubber stamping" pre-approval applications for Medicaid-funded orthodontic services. TMHP did not have sufficiently trained dental staff to properly review the applications. It has since been made public that HHSC knew about this deficiency in 2008 when its Office of the Inspector General had audited TMHP and reported on the lack of trained staff as a potential for fraud. Nothing was done to correct this.

- 4) In all of these media reports, Harlingen Family Dentistry was never mentioned nor had any complaints ever been made to HHSC or its OIG about HFD's methods or orthodontic Medicaid pre-approval applications. HFD kept scrupulous records of its patients and followed the proper Medicaid approval process for all of its Medicaid-eligible clients.
  
- 5) In the public and political backlash resulting from these media reports, HFD, however, was swept up in the bureaucratic response by simply being one of the top 25 billers of Medicaid for children's orthodontia in Texas, not unusual for HFD's size. This was the sole tactic employed by HHSC, to simply target the large billers for investigation, regardless if there were any complaints or evidence of wrong-doing.
  
- 6) Based on this spurious operating basis, not surprisingly, HFD found itself the subject of a Medicaid pay hold, allegations of fraud and that 84 out of 85 cases OIG's expert reviewed were not eligible for Medicaid funding. In response to this unfairness, Harlingen Family Dentistry launched an administrative complaint against HHSC with the State Office of Administrative Hearings.
  
- 7) The final decision was made public on 10 October.