

November 20, 2014

Honorable Jane Nelson  
Chair, Sunset Advisory Commission  
P. O. Box 12068  
Austin, TX 78701

Honorable Four Price  
Vice-Chair, Sunset Advisory Commission  
P. O. Box 2910  
Austin, TX 78768

Re: Sunset Advisory Commission Report: Health and Human Services Commission –  
Office of Inspector General

Dear Senator Nelson and Representative Price:

My name is Dr. Juan D. Villarreal from Harlingen Family Dentistry in the Rio Grande Valley. Because I was not able to attend the Commission's hearing in Austin last week, I would like to present this letter to you to discuss my experience with the HHSC Office of Inspector General ("OIG") and the Sunset Commission Staff Recommendations on the OIG.

I would first of all like to congratulate the Texas Sunset Commission and its staff for its courageous and honest report on the deficiencies of the HHSC OIG. It gives me tremendous hope that we here in Texas still have a government that can take a clear look at things and write such a critical, honest report. So thank you for undertaking this review.

I think the problems isolated in the report under issues 10 and 11 relating to OIG are totally correct. But the point I would like to make is that Medicaid providers such as myself are still caught up in this web without any clear recourse.

Two and a half years ago, I went before SOAH on a payment hold hearing on our Medicaid orthodontic billings. The judge found my practice did not commit any Medicaid waste or abuse, much less the fraud we were accused of. Yet, OIG is doing everything it can to negate this decision, make me spend more money to defend myself, and refuse to return any monies it has withheld despite two court orders to do so.

I won my case at SOAH, and both a trial court and appeals court have ordered OIG to return my payment hold monies yet I still do not have any relief.

Just this last month I was notified about another wave of depositions that OIG and OAG want to conduct in my case that will cost tens of thousands of dollars to defend. I am also being forced

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to have my overpayment hearing before an HHSC appeals court, not SOAH. I am afraid this forum will rule against me as it has done in other cases where a provider prevailed at SOAH. This is not fair.

The problem is that not even your Staff's excellent report and even a reported investigation into one of OIG's former employees for allegedly falsifying information in the case of Dr. Rachel Trueblood, another dentist that was accused of millions of dollars of fraud, has changed the way OIG is operating.

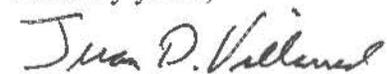
I would like to see some relief right now so that we can be treated fairly. SB 1803 last legislative session was enacted to provide this but the agency has not followed the intent of that legislation, particularly with me.

I strongly support the Staff Recommendations to restrict OIG payment holds to only cases where actual fraud has been shown to have occurred and to have all hearings held at SOAH without the ability of HHSC to act as an appeals court and overturn the SOAH decision. That recommendation should also be applied to overpayment hearings so OIG cannot do like they are doing to me, refusing to return my payment hold monies so they can conduct a hearing before HHSC to claim overpayment.

I'd also suggest you consider some mechanism where a provider like myself can have his payment hold monies returned to him in a reasonable time after a SOAH finding of no evidence of fraud.

Again, thank you for your consideration of these needed recommendations.

Sincerely yours,

A handwritten signature in cursive script that reads "Juan D. Villarreal".

Juan D. Villarreal