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Xerox Eyed in Texas Medicaid Probe

By [NATHAN KOPPEL](#)

Texas authorities are investigating whether [Xerox](#) Corp. played a role in allowing dentists to allegedly overbill the state's Medicaid system by millions of dollars.

Like many states, Texas contracts with Xerox to process forms submitted by dentists, who seek a determination about whether procedures they intend to perform are covered by Medicaid, a federal-state program that insures lower-income people. The company evaluates whether the planned procedures are medically necessary.

The Texas Health and Human Services Commission says it is concerned that Affiliated Computer Services Inc., which Xerox acquired in 2010, didn't dedicate enough trained staff to vet dentists' Medicaid requests, allowing dentists to receive payments for procedures not covered by the program.

Xerox declined to comment on the Texas investigation but said it doesn't face similar scrutiny in other states. The company said it helps administer Medicaid programs in 36 states and the District of Columbia, processing \$54 billion in annual Medicaid spending.

"Xerox has more than 40 years of experience working with government health agencies to enhance the efficiency of health programs," company spokeswoman Jennifer Wasmer said.

A 2008 audit by the Texas health agency's inspector general found that ACS had one dentist on staff to review thousands of Medicaid requests, and that the dentist examined only about 10% of them. ACS responded that its contract with Texas didn't require all requests to be reviewed by a licensed dental professional.

The current scrutiny of Xerox in Texas, covering a period from 2008 to 2011, is part of a broader state investigation into Medicaid abuse that has so far largely targeted dentists and orthodontists, who have been accused by state officials of improperly billing the state for procedures including putting braces on youngsters for purely cosmetic reasons and performing unnecessary root canals on small children.

The Texas Medicaid program paid out \$1.4 billion to dentists and orthodontists last year—a roughly fourfold increase since 2006. In 2010, the Texas Medicaid program spent more on braces than all other state Medicaid programs combined, according to a report from the U.S. House Committee on Oversight and Government Reform.

Texas dentists and orthodontists note that they are required to obtain the state's approval before billing Medicaid.

The Texas Health and Human Services Commission, in turn, has tried to pin some of the blame on Xerox for allegedly signing off on questionable procedures.

The agency's inspector general is auditing Xerox and will fine the company if it concludes Xerox didn't live up to

the terms of its contract with the state, said Stephanie Goodman, a spokeswoman for the agency.

The Texas Attorney General's Office in June also issued a civil investigative demand, akin to a subpoena, against Xerox in connection with the agency's investigation into Medicaid fraud.

At the behest of Texas officials, Xerox hired a new dental director to review Medicaid requests last year, Ms. Goodman said, noting that the current audit of Xerox should be completed later this year.

Xerox's role has been diminished, she added, because in March the state shifted much of the responsibility for approving Medicaid requests to managed-care organizations.

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