

Audit Report

# Allergy Immunotherapy Services in Texas Medicaid

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Calvary Medical Clinic



**Inspector  
General**

Texas Health  
and Human Services

August 16, 2024

OIG Report No. AUD-24-024



# Allergy Immunotherapy Services in Texas Medicaid

## Calvary Medical Clinic

## Results in Brief

### Why OIG Conducted This Audit

The Texas Health and Human Services (HHS) Office of Inspector General Audit and Inspections Division (OIG Audit) initiated this audit in response to an analysis identifying Texas Medicaid members for whom encounter data indicated allergy extracts were prepared but never administered. The analysis was based solely on encounter data.

### Summary of Review

The audit objective was to determine whether claims submitted by Calvary Medical Clinic for allergy immunotherapy services complied with selected Texas Medicaid Provider Procedures Manual (TMPPM) guidelines.

The audit scope covered the period from February 1, 2022, through February 28, 2023.

### Management Response

OIG Audit presented preliminary audit results, issues, and recommendations to Calvary Medical Clinic in a draft report dated July 12, 2024. Calvary Medical Clinic disagreed with the audit finding and recommendation.

For more information, contact:  
[OIGAuditReports@hhs.texas.gov](mailto:OIGAuditReports@hhs.texas.gov)

### Key Results

Calvary Medical Clinic had supporting documentation that it performed allergy testing prior to submitting claims for allergy immunotherapy. However, Calvary Medical Clinic:

- Submitted and received reimbursement for allergy extract preparation claims over the 160-dose limit without prior authorization in 18 of 30 tested encounters, resulting in incorrect payments based on TMPPM guidelines and MCO guidance to OIG Audit totaling \$54,890.02.
- Submitted claims for both nurse office visits and allergy shot administration without support for a separately identifiable nurse office visit. The managed care organization (MCO) only reimbursed for the nurse office visit, resulting in an incorrect total payment of \$172.81. Providers should not submit separate claims for concurrent nurse office visits and allergy shot administration without documentation justifying both services.

Of the 30 allergy extract preparation encounters tested for 30 patients, Calvary Medical Clinic did not administer allergy shots to 27 patients. While it did not bill or receive reimbursement for the administration of allergy shots to these 27 patients, it paid its third-party provider to create the extracts and was reimbursed by its MCO \$71,629.84 for the preparation of the extracts. Although allowable, reimbursing for extract preparation without corresponding administration may lead to a wasteful situation that does not benefit the Medicaid member and increases costs to the Medicaid program.

### Recommendations

Calvary Medical Clinic should comply with the TMPPM by:

- Billing for the preparation of allergy extracts above the 160-dose limit only with prior authorization when the MCO payer requires it.
- Billing for nurse office visits in addition to allergy shot administration claims only when office visits are for a non-allergy-related diagnosis or a re-evaluation of the client's condition. Documentation should clearly identify and support each separate service.

Additionally, Calvary Medical Clinic should review the payments it received for these claims to determine whether the MCOs reimbursed it correctly for actual services rendered.

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# Audit Overview

## Overall Conclusion

For 30 encounters tested, Calvary Medical Clinic did not consistently comply with selected Texas Medicaid Provider Procedures Manual (TMPPM) guidelines when submitting claims for allergy immunotherapy services provided to Texas Medicaid members.

## Key Audit Results

Calvary Medical Clinic had supporting documentation that it performed allergy testing prior to submitting claims for allergy immunotherapy.

However, Calvary Medical Clinic did not consistently comply with certain requirements and received \$55,062.83 in incorrect payments based on TMPPM guidelines and MCO guidance to the Texas HHS Office of Inspector General (OIG) Audit and Inspections Division (OIG Audit). Specifically, it:

- Submitted claims without prior authorization for allergy extract preparation beyond 160 doses.
- Submitted claims for office visits concurrently with allergy shot administration without supporting additional services were needed.

OIG Audit made recommendations which, if implemented, will help Calvary Medical Clinic comply with applicable requirements.

Calvary Medical Clinic billed and was reimbursed for preparing allergy extracts that it did not administer to patients. Although allowable, reimbursing for extract preparation without corresponding administration may lead to a wasteful situation that does not benefit the Medicaid member and increases costs to the Medicaid program.

### Objective

The audit objective was to determine whether claims submitted by Calvary Medical Clinic for allergy immunotherapy services complied with selected TMPPM guidelines.

### Scope

The audit scope covered the period from February 1, 2022, through February 28, 2023.

OIG Audit presented preliminary audit results, issues, and recommendations to Calvary Medical Clinic in a draft report dated July 12, 2024. Calvary Medical Clinic disagreed with the audit finding and recommendation. Calvary Medical Clinic's management responses are summarized in the report following the recommendation and included in Appendix C.

The "Detailed Audit Results" section of this report presents additional information about the audit results and is considered written education in accordance with Texas Administrative Code.<sup>1</sup> In addition, other audit issues identified in this report may be subject to damages or OIG administrative enforcement measures,<sup>2</sup> including administrative penalties.<sup>3</sup>

## Background

Allergy immunotherapy, a covered benefit for Medicaid members, is a preventative treatment for allergic reactions to desensitize patients to their allergens by giving gradually increasing doses of the allergen via injections. The incremental increase of the allergen causes the immune system to become less sensitive to the substance, which reduces the symptoms patients experience when they encounter the allergen.

### What Prompted This Audit

OIG Audit initiated this audit in response to an analysis identifying Texas Medicaid members for whom encounter data indicated allergy extracts were prepared but never administered. The analysis was based solely on encounter data.

Before starting allergy immunotherapy treatment, a provider conducts testing to determine what triggers an individual's symptoms. Then a third-party provider creates vials containing a mixture of allergen extracts to treat that patient for Calvary Medical Clinic.<sup>4</sup>

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<sup>1</sup> 1 Tex. Admin. Code § 371.1701 (May 1, 2016).

<sup>2</sup> 1 Tex. Admin. Code § 371.1603 (May 20, 2020).

<sup>3</sup> Tex. Hum. Res. Code § 32.039 (Apr. 2, 2015).

<sup>4</sup> Calvary Medical Clinic contracts with a third-party provider, Solace Innova, to create allergy extracts.

To be reimbursable under Texas Medicaid, providers must:

- Submit claims for allergy immunotherapy with specific procedure codes, which identify the services provided.
- Adhere to other TMPPM allergy immunotherapy billing requirements.

Allergy immunotherapy consists of allergy testing, extract preparation, and shot administration, all of which are submitted as separate and independent claims. Medical providers participating in Texas Medicaid managed care submit claims directly to managed care organizations (MCOs), which then reimburse those claims. MCOs submit encounter data to the Texas Health and Human Services Commission (HHSC), to coordinate and manage Medicaid services.

During the audit scope, which included the period from February 1, 2022, through February 28, 2023, Calvary Medical Clinic received \$693,814.24 in reimbursements from MCOs for allergy immunotherapy for 375 Texas Medicaid members. Of this amount, \$575,448.57 was paid to Calvary Medical Clinic specifically for allergy extracts prepared.

## **Auditing Standards**

### **Generally Accepted Government Auditing Standards**

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

# Detailed Audit Results

OIG Audit reviewed medical records supporting a targeted sample of 30 allergy immunotherapy encounters. These records included:

- The patient’s allergy symptoms, medical history, allergy test results, and consent for immunotherapy.
- An allergy extract verification checklist Calvary Medical Clinic used when it received vials of allergy extracts from its third-party provider.
- Logs detailing when Calvary Medical Clinic contacted the patient.
- Progress notes, which coders use to code services rendered for claims submission.

Auditors used these records to determine whether Calvary Medical Clinic delivered and submitted claims for allergy immunotherapy in compliance with selected TMPPM guidelines.

The following sections of this report provide additional detail about the findings of noncompliance and an observation about the potential for waste and increased Texas Medicaid costs associated with unused, though reimbursable, allergy extracts identified by OIG Audit.

OIG Audit will send a copy of the report to the MCOs that paid the tested claims, Texas Children’s Health Plan and Community Health Choice, as written education.

## Chapter 1: Calvary Medical Clinic Did Not Consistently Comply with TMPPM Guidelines

Calvary Medical Clinic submitted claims for immunotherapy services that did not comply with TMPPM guidelines and MCO guidance to OIG Audit, resulting in incorrect payments totaling \$55,062.83. Specifically, Calvary Medical Clinic:

- Billed for services without prior authorization.<sup>5</sup>
- Billed for office visits when administering allergy shots.

### Allergy Immunotherapy Prior Authorization

Calvary Medical Clinic submitted and received reimbursement for allergy extract preparation claims over the 160-dose limit without prior authorization in 18 of the 30 tested encounters (60 percent). The 18 claims were for an average of 215 doses per patient in a one-year period.

Texas Children’s Health Plan, the MCO that paid the 18 claims, follows the TMPPM in requiring a prior authorization approval with documentation of medical necessity for allergy extract preparation beyond the limit of 160 doses per one-year period.<sup>6,7</sup> Calvary Medical Clinic did not obtain prior authorization as required based on guidance OIG Audit received from the MCO, resulting in incorrect payments totaling \$54,890.02.

### Billing for Office Visits with Allergy Shot Administration

Of the 30 allergy extract preparation encounters tested, three allergy shots were subsequently administered. For all three allergy shots administered, Calvary Medical Clinic submitted claims for both a nurse office visit and an allergy shot administration without support for a separately identifiable nurse office visit.

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<sup>5</sup> Calvary Medical Clinic billed using procedure code 95165, for which TMPPM requires prior authorization for more than 160 doses per one-year period.

<sup>6</sup> Texas Medicaid Provider Procedures Manual, Vol. 2, “Medical and Nursing Specialists, Physicians, and Physician Assistants Handbook,” §§ 9.2.5.1.1 and 9.2.5.1.2 (Feb. 2022, as amended).

<sup>7</sup> Texas Children’s Health Plan compliance representatives confirmed to OIG Audit that it requires providers to follow allergy immunotherapy requirements set forth in the TMPPM.



A nurse office visit is eligible for reimbursement in addition to the fee for administering the allergy shot if it results in a non-allergy-related diagnosis or a re-evaluation of the patient's condition.<sup>8</sup> After patients received their allergy shots, a Calvary Medical Clinic nurse monitored the patient for allergic reactions. Calvary Medical Clinic then submitted claims for both the allergy shot administration and a nurse office visit.

For all three claims, the MCO only reimbursed for the nurse office visit, resulting in an incorrect total payment of \$172.81. Providers should not submit separate claims for concurrent nurse office visits and allergy shot administration without documentation justifying both services.

## **Recommendation 1**

Calvary Medical Clinic should comply with the TMPPM by:

- Billing for the preparation of allergy extracts above the 160-dose limit only with prior authorization when the MCO payer requires it.
- Billing for nurse office visits in addition to allergy shot administration claims only when office visits are for a non-allergy-related diagnosis or a re-evaluation of the client's condition. Documentation should clearly identify and support each separate service.

Additionally, Calvary Medical Clinic should review the payments it received for these claims to determine whether the MCOs reimbursed it correctly for actual services rendered.

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<sup>8</sup> Texas Medicaid Provider Procedures Manual, Vol. 2, "Medical and Nursing Specialists, Physicians, and Physician Assistants Handbook," § 9.2.5.1.2 (Feb. 2022, as amended).

## Summary of Calvary Medical Clinic’s Management Response

Calvary Medical Clinic disagreed with the findings, contending:

- Prior authorization requirements vary from MCO to MCO.
- Texas Children’s Health Plan can set its own prior authorization procedures.
- Calvary Medical Clinic complied with Texas Children’s Health Plan prior authorization requirements.
- Calvary Medical Clinic adhered to the necessary guidelines by billing for both the nurse office visit and the administration of the serum.

Calvary Medical Clinic’s responses are included in Appendix C.

### **Auditor Comment**

OIG Audit stands by its conclusion. Texas Children’s Health Plan compliance division provided written guidance to OIG Audit indicating that prior authorization is required before billing for any doses over the 160-dose limit. Calvary Medical Clinic should coordinate with Texas Children’s Health Plan and obtain written guidance for allergy immunotherapy in general and retain that written guidance for its records.

Calvary Medical Clinic did not provide evidence that a nurse visit was required in addition to the allergy shot administration for the three claims identified.

## Chapter 2: Allergy Immunotherapy Shot Administration Observation

Of the 30 allergy extract preparation encounters tested for 30 patients, Calvary Medical Clinic did not administer allergy shots to 27 (90 percent) patients. While Calvary Medical Clinic did not bill or receive reimbursement for the administration of allergy shots to these 27 patients, it paid its third-party provider to create the extracts and was reimbursed by its MCO \$71,629.84 for the preparation of the extract. Creation of allergy extracts and administration of allergy shots are two separate services, and payment for creating the extract is allowable even when the extract is never administered as a shot.<sup>9</sup> However, preparing allergy extracts without subsequent administration of allergy shots did not provide a benefit to the patient and resulted in unnecessary costs to the Medicaid program.

Calvary Medical Clinic provided a patient contact log that indicated the 27 patients either refused treatment or did not respond to the clinic's contact. Calvary Medical Clinic does not initiate patient contact for the administration of allergy shots until they receive the vial of allergy extract. The time between allergy testing and receiving the vials at the clinic ranged from 60 to 349 days, with an average of 183 days, and seven of the extracts took over 300 days to arrive at the clinic. Some of this time may be accounted for as part of the claim adjudication process.

Calvary Medical Clinic had supporting documentation that it:

- Performed allergy testing.
- Obtained patient consent to proceed with allergy immunotherapy.
- Received vials of allergy extract at the clinic.

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<sup>9</sup> Creation and administration of allergy extracts are two separate services, and payment for creating the extract is allowable even when the extract is never administered. Texas Medicaid Provider Procedures Manual, Vol. 2, "Medical and Nursing Specialists, Physicians, and Physician Assistants Handbook," § 9.2.5.1.2 (Feb. 2022, as amended).

While patients who consent to receiving medical services are not required to receive those medical services, preparing allergy extracts without subsequent shot administration may lead to wasted Medicaid resources.<sup>10</sup>

OIG Audit initiated this audit to examine the allowability of claims following an analysis that indicated some Texas Medicaid providers had allergy extracts prepared but did not administer them to patients. This targeted sample is not considered representative of the population and the observations in this chapter are not intended to be projected to the population.

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<sup>10</sup> “Waste” results from practices that a reasonably prudent person would deem careless or that would allow inefficient use of resources, items, or services. 1 Tex. Admin. Code § 371.1(96) (Feb.12, 2017).

## Appendix A: Objective, Scope, and Criteria

### Objective and Scope

The audit objective was to determine whether claims submitted by Calvary Medical Clinic for allergy immunotherapy services complied with selected TMPPM guidelines.

The audit scope covered the period from February 1, 2022, through February 28, 2023.

### Criteria

OIG Audit used the following criteria to evaluate the information provided:

- 1 Tex. Admin. Code § 371.1(96) (2017)
- Texas Medicaid Provider Procedures Manual, Vol. 2, "Medical and Nursing Specialists, Physicians, and Physician Assistants Handbook," § 9.2.5 (2022, as amended)

## Appendix B: Detailed Methodology

OIG Audit issued an engagement letter to Calvary Medical Clinic on March 13, 2024, providing information about the upcoming audit, and conducted fieldwork from March 13, 2024, through May 31, 2024.

To accomplish the audit objectives, auditors:

- Conducted interviews with Calvary Medical Clinic management responsible for overseeing allergy services and staff responsible for performing allergy services and submitting Medicaid claims.
- Performed selected tests of the relevant evidence.

OIG Audit selected a risk-based, nonstatistical sample of 30 immunotherapy extract preparation encounters associated with 30 patients without corresponding shot administration encounters. This sample design was chosen to address specific risk factors identified in the population, such as high dollars at risk. The sample items were generally not representative of the population; therefore, it would not be appropriate to project the test results to the population.

Due to the limited nature of the audit, and the sample design chosen, no inferences should be drawn from this report with respect to Calvary Medical Clinic's overall level of performance.

For the 30 sample encounters selected for testing, OIG Audit reconciled the encounter data to the paid claim data obtained from the applicable MCOs.

### Data Reliability

OIG Audit reviewed Calvary Medical Clinic's system of internal controls, including components of internal control,<sup>11</sup> within the context of the audit objectives. OIG Audit assessed the reliability of data provided by Calvary Medical Clinic by tracing sample documentation support to the Texas Children's Health Plan and

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<sup>11</sup> For more information on the components of internal control, see the United States Government Accountability Office's *Standards for Internal Control in the Federal Government*, (Sept. 2014), <https://www.gao.gov/assets/gao-14-704g.pdf> (accessed Apr. 16, 2021).

Community Health Choice MCO encounters and interviewing relevant Calvary Medical Clinic personnel knowledgeable about the systems and data. OIG Audit determined that the data was sufficiently reliable for the purpose of this audit.

## Appendix C: Calvary Medical Clinic's Management Response

OIG Audit redacted portions of Calvary Medical Clinic's original management responses, with Calvary Medical Clinic's permission.

### Issue 1—Prior Authorization – OIG has Misapplied the TMPPM

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#### Prior Authorization Requirements Vary from MCO to MCO

Nonetheless, . . . the draft report states that "Calvary Medical Clinic submitted claims for more than 160 doses of allergy serum without obtaining prior authorization from Texas Children's Health Plan (TCHP)." As support for this finding, OIG states that "Calvary Medical Clinic billed using procedure code 95165, for which TMPPM requires prior authorization for more than 160 doses per one-year period."<sup>12</sup> But the According to the Texas Medicaid website—"Medicaid managed care organizations (MCOs) must provide all medically necessary, Medicaid-covered services to eligible clients. Administrative procedures, such as prior authorization, pre-certification, referrals, and claims/encounter data filing, may differ from traditional Medicaid (fee-for-service) and from MCO to MCO. Providers should contact the client's specific MCO for details."<sup>13</sup>

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<sup>12</sup> Draft Audit Report p. 5, footnote 5.

<sup>13</sup> See e.g., Texas Health and Human Services, *Second Quarter 2024 HCPCS Updates for Texas Medicaid, TMHP*, <https://www.tmhp.com/news/2024-06-26-second-quarter-2024-hcpcs-updates-texas-medicaid> (last accessed Aug. 2, 2024). See also, Texas Health and Human Services, *Reminder: Complaint Process and Enrollment for CPW Providers Operating with an MCO*, TMHP, <https://www.tmhp.com/news/2023-09-13-reminder-complaint-process-and-enrollment-cpw-providers-operating-mco> (last accessed Aug. 2, 2024).



Indeed, HHSC oversees MCOs by defining the scope of services, setting performance standards, and monitoring compliance with federal and state regulations.<sup>14</sup> . . .

### **TCHP Can Set Its Own Prior Authorization Procedures**

Rather than take the OIG . . . , we should look at where TCHP gets its authority and the flexibility it has for setting its own policies and procedures. . . .

The TMPPM does not strictly apply to TCHP because TCHP operates under its specific contractual agreement with the HHSC which grants it the authority to develop and implement its own administrative procedures, including those related to prior authorization. While the TMPPM provides a comprehensive guideline for Medicaid providers, it is not a legally binding regulation for MCOs like TCHP. Instead, TCHP must comply with the terms of its contract with HHSC, which allows for flexibility in administrative procedures if they meet overarching federal and state Medicaid requirements.

The Social Security Act, Title XIX establishes the foundation for Medicaid managed care, allowing states to implement managed care programs under federal guidelines.<sup>15</sup> In Texas, the Texas Government Code governs the implementation of Medicaid managed care in Texas, providing the statutory framework for Medicaid services.<sup>16</sup> And under the Texas Government Code, the HHSC is responsible for administering Medicaid in Texas, including the authority to contract with MCOs. HHSC defines the scope of services, sets performance standards, and monitors the MCOs' compliance with federal and state regulations.<sup>17</sup>

Indeed, the HHS website provides detailed guidance on how MCO's operate under the authority and oversight of the HHSC. For example, MCOs are required to have utilization management (UM) programs that include

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<sup>14</sup> Texas Health and Human Services, *Texas Medicaid and CHIP Uniform Managed Care Manual*, <https://www.hhs.texas.gov/services/health/medicaid-chip/managed-care-contract-management/texas-medicaid-chip-uniform-managed-care-manual> (last accessed Aug. 2, 2024).

<sup>15</sup> 42 U.S.C. § 1396 et seq.

<sup>16</sup> Tex. Gov't Code Ann. § 533.001 et seq.

<sup>17</sup> Tex. Gov't Code Ann. § 531.021.

procedures for evaluating the need for medically necessary covered services, clinical review criteria, and processes for reviewing and approving services.<sup>18</sup>

The contracts between HHSC and the MCOs specify the terms under which the MCOs operate, including the requirements for providing covered services, reporting, and compliance with Medicaid policies.<sup>19</sup> The contract between HHSC and TCHP states as much with a list of all the rules and regulations.<sup>20</sup> This includes regulations relating to “prior authorization.”<sup>21</sup> Nowhere does the contract require TCHP to follow the TMPPM.

This contractual flexibility allows MCOs to develop and implement their own administrative procedures, including those related to prior authorization. And the key provisions in TCHP’s own contract with HHSC show that TCHP has flexibility in setting its own policies and procedures with respect to utilization

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<sup>18</sup> Texas Health and Human Services, *Texas Medicaid and CHIP Uniform Managed Care Manual*, <https://www.hhs.texas.gov/services/health/medicaid-chip/managed-care-contract-management/texas-medicaid-chip-uniform-managed-care-manual> (last accessed Aug. 2, 2024).

<sup>19</sup> Tex. Gov’t Code Ann. § 533.004.

<sup>20</sup> “MCO must comply, to the satisfaction of HHSC, with all Contract provisions, all provisions of state and federal laws, rules, regulations, policies, guidelines, as well as federal waivers, state policy guidance memos, and any court-ordered consent decrees, settlement agreements, or other court orders that govern the performance of the Scope of Work.” See Texas Health and Human Services, *Contract No. 529-13-0071-00009*, Section 7.02, <https://contracts.hhs.texas.gov/sites/default/files/documents/contracts/529-13-0071-00009-contract-redacted.pdf> (last accessed Aug. 2, 2024).

<sup>21</sup> **“Compliance with State and Federal Prior Authorization Requirements.** The MCO must adopt prior authorization (PA) requirements that comply with state and federal laws governing authorization of health care services and prescription drug benefits, including 42 U.S.C. § 1396r-8 and Texas Government Code §§ 531.073 and 533.005(a)(23). In addition, the MCO must comply with Texas Human Resources Code § 32.073 and Texas Insurance Code §§ 1217.004 and 1369.256, which require MCOs to use national standards for electronic prior authorization of prescription drug and health care benefits ...” See Texas Health and Human Services, *Contract No. 529-13-0071-00009*, Section 8.1.9.1, <https://contracts.hhs.texas.gov/sites/default/files/documents/contracts/529-13-0071-00009-contract-redacted.pdf> (last accessed Aug. 2, 2024).

management<sup>22</sup> and prior authorization.<sup>23</sup> And the contract is replete with examples specifying TCHP's control over the prior authorization process, including training of providers.<sup>24</sup> TCHP is also required to designate personnel to handle claims processing and prior authorization.<sup>25</sup> These are the same TCHP personnel Calvary contacted and relied on when inquiring and receiving guidance on whether prior authorization was necessary when submitting claims under CPT 95165. And again, as set forth in the next section, does TCHP require prior authorization for claims submitted under CPT 95165?

### *Calvary Complied with TCHP Prior Authorization Requirements*

No. TCHP does NOT require prior authorization for claims for immunotherapy under CPT 95165. Calvary has complied with the TCHP process and repeatedly advised the OIG of compliance with and adherence to the TCHP administrative procedures. Again, according to TCHP prior authorization guidelines, there is NO requirement for prior authorization for CPT code 95165 beyond 160 doses. As the OIG should be aware, TCHP has confirmed this confirmed this orally, in

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<sup>22</sup> The TCHP contract with HHSC requires TCHP to have a UM program that includes procedures for evaluating the need for medically necessary covered services, clinical review criteria, and processes for reviewing and approving services. See Texas Health and Human Services, *Contract No. 529-13-0071-00009*, Section 8.1.9, <https://contracts.hhs.texas.gov/sites/default/files/documents/contracts/529-13-0071-00009-contract-redacted.pdf> (last accessed Aug. 2, 2024).

<sup>23</sup> The TCHP contract with HHSC states that [TCHP] must adopt prior authorization requirements that comply with state and federal laws but have flexibility in how these procedures are implemented. See Texas Health and Human Services, *Contract No. 529-13-0071-00009*, Section 8.1.9.1, <https://contracts.hhs.texas.gov/sites/default/files/documents/contracts/529-13-0071-00009-contract-redacted.pdf> (last accessed Aug. 2, 2024).

<sup>24</sup> "The MCO must provide appropriate training to all Network Providers and Provider staff in the Providers' area of practice regarding the scope of benefits available and the Texas Health Steps Program. Training must include: . . . 13. The MCO prior authorization process." See Texas Health and Human Services, *Contract No. 529-13-0071-00009*, Section 8.1.24.3.5, <https://contracts.hhs.texas.gov/sites/default/files/documents/contracts/529-13-0071-00009-contract-redacted.pdf> (last accessed Aug. 2, 2024).

<sup>25</sup> "MCO must designate key management and technical personnel who will be assigned to the Contract. For the purposes of this requirement, Key Personnel are those with management responsibility or principal technical responsibility for the following functional areas . . . claims processing . . . benefit administration and **prior authorization**." See Texas Health and Human Services, *Contract No. 529-13-0071-00009*, Section 4.02, <https://contracts.hhs.texas.gov/sites/default/files/documents/contracts/529-13-0071-00009-contract-redacted.pdf> (last accessed Aug. 2, 2024).

writing and through actual process regardless of OIG . . . assurance that “we have documentation from the MCO compliance office that confirms that providers are required to follow the TMPPM guidelines for Medicaid and CHIP services.”<sup>26</sup>

### *TCHP Claims Submission Process*

When submitting a claim to Medicaid, the first thing a billing provider should do is determine the appropriate administrative procedure for doing so. Issues like prior authorization, pre-certification, medical necessity or number of units reimbursed matter and may vary depending on whether the claim is traditional Medicaid or MCO managed.

Given that the claims at issue are covered by a MCO, the next step would be to contact the specific MCO for details, in this case TCHP. Here, a provider should be allowed to rely on and follow the TCHP administrative procedures with respect to prior authorization, which can be found on the TCHP website, where if anything is unclear, a provider should be able to contact and rely on the guidance of the TCHP representatives, either by faxing in a prior authorization if necessary or contacting TCHP “for assistance with prior authorizations.”<sup>27</sup> On June 12, 2024, the OIG representatives . . . heard for themselves that TCHP does NOT require prior authorization for CPT Code 95165.<sup>28</sup>

At this point, if one could not take the word of the TCHP representative, a reasonable person could review the publicly available guidance on the TCHP

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<sup>26</sup> . . .

<sup>27</sup> See Texas Children's Health Plan, Prior Authorization Information, <https://www.texaschildrenshealthplan.org/forproviders/prior-authorization-information> (last accessed Aug. 2, 2024) stating—

#### **Prior Authorization Fax Lines**

- . . .
- Medical Services Fax Line - 832-825-8760 or Toll-Free 1-844-473-6860

#### **Contact Us**

Please contact us if you have questions or need assistance with prior authorizations.

**Providers:** 1-800-731-8527

Providers may also reach out to their Provider Relations Liaison, contact information is available [here](#).

<sup>28</sup> . . .

website. The “Prior Authorization Information” link directs one to review more detailed information and forms designating the list of medical services requiring prior authorization.<sup>29</sup> Allergy immunotherapy services are NOT included on any TCHP list. A provider could also access the TCHP Provider Manual reference to utilize the web-based portal to verify the prior authorization process, which directs that if a service requires prior authorization, the provider can verify by telephone or utilize the TCHP portal.<sup>30</sup> Indeed, HHSC requires TCHP to maintain such a portal to reduce administration burden.<sup>31</sup>

For the sake of argument, if these services did require prior authorization, the next step would be to review the document dictating the processes and

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<sup>29</sup> See Texas Children's Health Plan, Prior Authorization Reference Information, <https://texaschildrenshealthplan.org/sites/default/files/2024-05/Combined%20PA%20List%2004.22.2024.pdf> (last accessed Aug. 2, 2024).

<sup>30</sup> **23 Verifying Health Plan Eligibility**

Providers are responsible for verifying a member’s eligibility, identifying which health plan a member is assigned to, identifying the name of the assigned Primary Care Provider (PCP) and verifying covered services **and if they require prior authorization** for each visit prior to providing care to members. **There are several ways this can be done:** through member identification cards, telephone verification, membership listings and through Texas Children’s Health Plan’s Provider Portal.

See Texas Children's Health Plan, *CHIP/STAR Provider Manual*, [https://texaschildrenshealthplan.org/sites/default/files/2023-08/PR-2105-045%20CHIP\\_STAR%20Provider\\_Manual\\_r33.pdf](https://texaschildrenshealthplan.org/sites/default/files/2023-08/PR-2105-045%20CHIP_STAR%20Provider_Manual_r33.pdf) (last accessed Aug. 2, 2024).

<sup>31</sup> “The MCO must provide a Provider Portal that supports functionality to reduce administrative burden on Network Providers at no cost to the Providers. A Provider Portal brings information together from diverse sources in a uniform way. The Provider Portal functionality must include the following.

1. Client eligibility verification
2. Submission of electronic claims.
3. Prior Authorization requests
4. Claims appeals and reconsiderations
5. Exchange of clinical data and other documentation necessary for **prior authorization and claim processing.**”

See Texas Health and Human Services, Contract No. 529-13-0071-00009, Section 8.1.20.5 Claims Processing Requirements, <https://contracts.hhs.texas.gov/sites/default/files/documents/contracts/529-13-0071-00009-contract-redacted.pdf> (last accessed Aug. 2, 2024).

procedures relating to prior authorization,<sup>32</sup> which require completion of the Texas Standard Prior Authorization Form.<sup>33</sup>

So to prove the point, even after being advised by TCHP multiple times that prior authorization was not required for CPT 95165, Calvary documented the process step by step starting with a call to TCHP. When Calvary representatives spoke with . . . at Tx Children’s Health Plan on 07-17- 2024 inquiring about the need for a prior authorization on TCHP MDC ID number . . . (reference ticket number of 4047579), the TCHP advised verbally that she **“cannot pull up 95165 in my system, which means no prior authorization is needed.”**

Calvary also submitted claims for both 180 and 215 units using the Texas Standard Prior Authorization Form to confirm again that CPT 95165 did not have the dosing limitations posed by the TMPPM; nor did it require prior authorization. And what happened? Texas Children’s responded in writing that **prior authorization was not required.**

. . .

## **Issue 2: Office Visits and Serum Administration—OIG's Misinterpretation of the Necessity for Distinct Services During the Same Encounter**

The Audit alleges that Calvary did not comply with the TMPPM regarding the billing of nurse office visits in addition to serum administration. Specifically, the OIG states that—

“For all three claims, the MCO only reimbursed for the nurse office visit, resulting in an incorrect total payment of \$172.81. Providers should not submit separate claims for concurrent nurse office visits and allergy shot administration without documentation justifying both services.”

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<sup>32</sup> See Texas Children's Health Plan, Prior Authorization Procedures and Requirements, <https://texaschildrenshealthplan.org/sites/default/files/2023-09/prior-authorization-required-information-9.7.2023.pdf> (last accessed Aug. 2, 2024) stating “Texas Children’s Health Plan requires the completed Texas Standard Prior Authorization Form . . . with the following information: . . . Requested Service, Current Procedures Terminology (CPT) Codes Requested, Number of Units Requested . . .”

<sup>33</sup> Texas Children's Health Plan, Standard Prior Authorization Form, [https://www.texaschildrenshealthplan.org/sites/default/files/2022-07/20150410\\_Standard%20Prior%20Auth%20Form.pdf](https://www.texaschildrenshealthplan.org/sites/default/files/2022-07/20150410_Standard%20Prior%20Auth%20Form.pdf) (last accessed Aug. 2, 2024).

Calvary adhered to the necessary guidelines by billing for both the nurse office visit (CPT 99211) and the administration of the serum (CPT 95115). According to the TMPPM, billing for a nurse visit (CPT 99211) alongside allergy injections (CPT 95115) is permissible when another reevaluation of the patient is necessary. The administration of the serum involves two distinct services – (1) administration of the serum; and (2) re-evaluating and monitoring the patient for potential reactions, a medically necessary practice. At the time of serum injection, a medical assistant or nurse must evaluate and observe the patient, monitoring them for any potential serum reactions for 20 minutes. This process justifies billing both CPT 99211 (nurse visit) and CPT 95115 (serum administration). This ensures there is no ambiguity in the documentation and clarifies who was present during the serum administration and subsequent observation.

Indeed, the clinical documentation Calvary provided includes detailed progress notes indicating that each patient was evaluated and monitored for potential reactions, fulfilling the medical necessity criteria for both services. This documentation substantiates the need for and provision of both services during the same visit. The progress notes state the clinical indication for evaluating the patient, ensuring transparency and justification for billing both services. This observation period is crucial for patient safety and is a standard medical practice following the administration of allergy shots.

The TMPPM supports the billing of distinct services provided during the same encounter, ensuring that each medical necessity is appropriately addressed and billed. Providers submit all codes believed to be appropriate for the medical services rendered. Calvary has adhered to this practice, ensuring that each service is reported accurately and comprehensively. Calvary's approach ensures that each service is justified and compliant. The service was rendered, and any denial is at the discretion of the MCO.

Calvary has demonstrated compliance with the TMPPM guidelines regarding serum administration and provided comprehensive documentation supporting the billing of distinct services during the same encounter. Therefore, the assertion that the clinic did not comply with TMPPM guidelines is unfounded and misrepresents the clinic's diligent efforts to ensure compliance.

## Appendix D: Resources for Additional Information

The following resources provide additional information about the topics covered in this report.

### For more information on Calvary Medical Clinic:

Homepage, Calvary Medical Clinic, <https://calvarymedicaltx.com/> (accessed April 19, 2024)

### For more information about allergy immunotherapy:

The American College of Allergy, Asthma & Immunotherapy, "Allergy Immunotherapy" <https://acaai.org/allergies/management-treatment/allergy-immunotherapy/> (accessed April 4, 2024)

Mayo Clinic, "Allergy shots," <https://www.mayoclinic.org/tests-procedures/allergy-shots/about/pac-20392876> (accessed May 20, 2024)

### For more information about evaluation and management services:

American Academy of Professional Coders, "What are E/M codes?" <https://www.aapc.com/resources/what-are-e-m-codes> (accessed April 19, 2024)



## Appendix E: Report Team and Distribution

### Report Team

OIG staff members who contributed to this audit report include:

- Anton Dutchover, CPA, Deputy Inspector General of Audit and Inspections
- Cody Redmond, CPA, CFE, Audit Director
- Steven Arnold, CFE, Audit Project Manager
- Mutiu Adeyemi, CISA, Senior Auditor
- Kimberly Howell, Associate Auditor
- James Hicks, CISA, Quality Assurance Reviewer
- Mo Brantley, Senior Audit Operations Analyst

### Report Distribution

#### Texas Health and Human Services Commission

- Cecile Erwin Young, Executive Commissioner
- Kate Hendrix, Chief of Staff
- Maurice McCreary, Jr., Chief Operating Officer
- Jordan Dixon, Chief Policy and Regulatory Officer
- Karen Ray, Chief Counsel
- Michelle Alletto, Chief Program and Services Officer
- Nicole Guerrero, Chief Audit Executive
- Emily Zalkovsky, Chief Medicaid and CHIP Services Officer, Medicaid and CHIP Services

- Camisha D. Banks, Deputy Executive Commissioner for Managed Care, Medicaid and CHIP Services
- Dana L. Collins, Deputy Executive Commissioner for Operations, Medicaid and CHIP Services

### **Calvary Medical Clinic**

- Joseph Goin, Chief Executive Officer and Medical Director
- David Martin, Business Development Director
- Amber Walters, General Manager
- Joe Herrera, Practice Consultant and Compliance Officer
- Eric Chappell, Allergy Clinic Manager

## Appendix F: OIG Mission, Leadership, and Contact Information

The mission of OIG is to prevent, detect, and deter fraud, waste, and abuse through the audit, investigation, and inspection of federal and state taxpayer dollars used in the provision and delivery of health and human services in Texas. The senior leadership guiding the fulfillment of OIG's mission and statutory responsibility includes:

- Raymond Charles Winter, Inspector General
- Susan Biles, Principal Deputy Inspector General
- Kacy J. VerColen, Chief of Audit and Inspections
- Eugenia Krieg, Chief of Staff, Chief of Policy and Performance
- Erik Cary, Chief Counsel
- Diane Salisbury, Chief of Data Reviews
- Matt Chaplin, Chief of Operations
- Steve Johnson, Chief of Investigations and Utilization Reviews

### To Obtain Copies of OIG Reports

- OIG website: [ReportTexasFraud.com](http://ReportTexasFraud.com)

### To Report Fraud, Waste, and Abuse in Texas HHS Programs

- Online: <https://oig.hhs.texas.gov/report-fraud-waste-or-abuse>
- Phone: 1-800-436-6184

### To Contact OIG

- Email: [oig.generalinquiries@hhs.texas.gov](mailto:oig.generalinquiries@hhs.texas.gov)
- Mail: Texas Health and Human Services  
Office of Inspector General  
P.O. Box 85200  
Austin, Texas 78708-5200
- Phone: 512-491-2000