



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.

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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.