

The background features a blurred medical scene with a green overlay. A large white cross is centered in the middle. Various medical icons are scattered throughout, including a syringe at the top right, a pill, a virus, a stethoscope at the bottom left, and a group of three people. A white diagonal line runs from the bottom left towards the top right, separating the background from the text area.

Final Audit Report

Comfort & Care
Medical Supplies, Inc.
NPI: 1669570172
OIG Report No. AUD-24-022

Report Date
August 9, 2024





Executive Summary

In coordination with the Texas Health and Human Services Commission Office of the Inspector General (HHSC-OIG), Myers and Stauffer LC (Myers and Stauffer) has completed the performance audit of Comfort & Care Medical Supplies, Inc. (Provider). The purpose of the performance audit was to determine whether paid managed care organization (MCO) durable medical equipment (DME) and medical supply claims billed and paid under the state Medicaid program were in accordance with applicable state and federal Medicaid laws, regulations, rules, policies, and contractual requirements.

We conducted this audit in accordance with the performance audit provisions of Generally Accepted Government Auditing Standards (GAGAS) issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to sufficiently obtain 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.

The purpose of this performance audit report is to clearly communicate the results of the audit to those charged with governance, Provider management, and the appropriate oversight officials.

The audit focused on certain paid MCO durable medical equipment (DME) and medical supply claims with dates of service during September 1, 2020, through August 31, 2022. The audit identified 14 of the 235 reviewed MCO DME claims did not comply with relevant policies. This includes claims not reimbursed at the agreed upon/contracted rate and claims having an authorizing physician not enrolled in Texas Medicaid.



Background and Criteria

HHSC-OIG contracted Myers and Stauffer to conduct audits of Medicaid claims billed by providers and paid by the state Medicaid program. Myers and Stauffer was engaged to perform a claims audit of Comfort & Care Medical Supplies, Inc. (Provider). The audit focused on paid MCO DME and medical supply claims having dates of service during the period September 1, 2020, through August 31, 2022.

The Provider is a DME provider located at 515 1st Street East, Humble, Texas 77338 and has operated for 25 years. They offer multiple products indicating over 10,000 items are available for next day shipping. Products include, but are not limited to, incontinence supplies, wound care supplies, hospital beds, mobility equipment, lift chairs, and enteral feeding products. The website offers the option for prescriptions and/or medical records to be uploaded for fulfillment as well as electronic referrals.

According to the Durable Medical Equipment, Medical Supplies, and Nutritional Products Handbook:

“Home health services include home health skilled nursing (SN), home health aide (HHA), physical therapy (PT) and occupational therapy services (OT); DME; and expendable medical supplies that are provided to eligible Medicaid clients at their place of residence.

Texas Medicaid defines DME as medical equipment or appliances that are manufactured to withstand repeated use, ordered by a physician for use in the home, and required to correct or ameliorate a client’s disability, condition, or illness. Since there is no single authority, such as a federal agency, that confers the official status of ‘DME’ on any device or product, HHSC retains the right to make such determinations with regard to Texas Medicaid DME benefits.

Requested DME may be a benefit when it meets the Medicaid definition of DME. The majority of DME and expendable supplies are covered home health services.”

Claims for the medical supplies should comply with the Texas Administrative Code (TAC), Uniform Managed Care Manual, and MCO rules, if applicable.

Audit Objective

The objective of the claims audit was to determine whether paid MCO DME and medical supply claims billed to, and paid under, the state Medicaid program were in accordance with applicable state and federal Medicaid laws, regulations, rules, policies and contractual requirements. The specific state and federal Medicaid laws, regulations, rules, policies, and contractual requirements tested were agreed to by HHSC-OIG in the approved audit test plan.

Sampling Overview

For the period January 1, 2019, through December 31, 2021, HHSC-OIG developed algorithms to identify risk areas for Texas Medicaid providers. The algorithms identified \$3,371,267 at risk of \$18,135,742 total DME and medical supply reimbursements for the Provider. HHSC-OIG subsequently provided all at risk fee-for-service and MCO encounter claims for the period of July 1, 2019, through June 30, 2023, to



Myers and Stauffer for review. After additional analysis, HHSC-OIG provided only paid MCO claims from the UnitedHealthcare health plan to Myers and Stauffer for audit purposes covering the period September 1, 2020, through August 31, 2022, totaling \$9,089,049 in provider reimbursement.

The claims data was analyzed and the audit universe was established to only include claim lines billed with healthcare common procedure coding system code T2029 (specialized medical equipment, not otherwise specified) having been reimbursed at least \$100.

A statistically valid random sample was selected from the claims universe created. The universe consisted of 6,130 claim lines for 1,828 unique recipients for which the Provider was reimbursed \$2,297,880. The sample included 235 claim lines for 216 unique recipients for which the Provider was reimbursed \$242,356.

Audit Process

Scope

The scope of this audit included the review of Medicaid paid MCO DME and medical supply claims with dates of service during the period September 1, 2020, through August 31, 2022.

Testing to determine medical necessity of supplies was outside the scope of the audit. However, Provider documentation was reviewed in order to determine that procedures were properly documented in accordance with the prior authorization process.

In gaining an understanding of internal controls, Myers and Stauffer limited the review to the Provider's overall internal control structure significant to the audit objectives. Myers and Stauffer determined significant internal controls to the audit objective include:

- **Control Environment:** The foundation for an internal control system. It provides the discipline and structure to help an entity achieve its objectives.
- **Control Activities:** The actions management establishes through policies and procedures to achieve objectives and respond to risks in the internal control system, which includes the entity's information system.
- **Monitoring:** Activities management establishes and operates to assess the quality of performance over time and promptly resolve the findings of audits and other reviews.

Methodology

Myers and Stauffer conducted this performance audit in accordance with GAGAS and applicable TAC rules, including 1 TAC §371.1719, as appropriate. Those standards require that the audit is planned and performed to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. Audit testing was performed to verify compliance in the following areas:

- Verified providers were enrolled and approved for participation in the Medicaid program.



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- Verified DME or medical supply was prior authorized by HHSC (if applicable).
 - Verified DME or medical supply was prescribed by a licensed physician or allowed licensed practitioner.
 - If applicable, verified the provider has completed the Texas Department of Health DME Certification and Receipt Form for the purchased DME to include:
 - The date that the client received the DME.
 - The name of the item.
 - The printed name of the client or primary caregiver.
 - The printed name of the provider.
 - The signature of the client or primary caregiver.
 - The signature of the provider.
 - Verified correct reimbursement was received for the DME or medical supply provided by reviewing:
 - The provider's billed charges.
 - The published fee determined by HHSC.
 - MCO agreed upon/contracted rate information.
 - If manually priced, the manufacturer's suggested retail price and provider's documented invoice cost.
 - Verified all required records to support DME or medical supply claims were properly maintained.
 - Verified the correct modifier(s) and payment rate reductions were applied depending on the type of DME or medical supply documented.

In addition, inquiries; observations; inspection of documents and records; review of other audit reports; and/or direct tests were performed to assess the design, implementation and/or operating effectiveness of controls determined significant to the audit objectives stated in the scope.

Audit Results

Myers and Stauffer believes the evidence obtained during the course of the claims audit provides a reasonable basis for the findings and conclusions based on the audit objective. The audit was not intended to discover all possible errors and any errors not identified within this report should not lead to a conclusion the practice is acceptable. Due to the limited nature of the review, no inferences should be drawn from this report with respect to the Provider's overall level of performance.



Findings

Myers and Stauffer identified findings on 14 of 235 DME and/or medical supply claims. The findings for the claims universe are listed in detail in Appendix A. The summary of findings and supporting policies follows in the table below:

List of Findings and Supporting Policies				
Finding No.	Finding Type	Finding Definition	Number of Claims with Finding	Supporting Policy
1	Incorrect Reimbursement	The claim was not reimbursed at the agreed upon/contracted provider rate.	12	Texas Medicaid Provider Procedures Manual (TMPPM) 2019-2022 Vol. 2 §2.6*
2	Authorizing Physician Was Not Enrolled in Texas Medicaid	The authorizing provider was not enrolled in Texas Medicaid.	2	1 TAC §352.5(a)

* Any references to Volume 2 of the TMPPM refer to the Medicaid Managed Care Handbook.

As demonstrated by the results of this audit, the Provider’s overall internal control system appears to be functioning well as the incorrect reimbursement received on the claims in question was not a result of the Provider’s action or lack of action. However, to address the remaining finding included in the table above, the Provider should continue to place additional emphasis on ensuring that the controls in place are designed to adequately review, document, and retain records to support that the billed services were provided in accordance with required regulations on a consistent basis.

Management’s Response

A draft copy of this report was sent to the Provider on July 29, 2024. The Provider did not contest the findings and stated they do not have any additional documentation to submit.

Final Determination of Overpayment

The Medicaid-paid claims with identified findings are listed in detail in Appendix A of this report. The corresponding overpayment amount in Appendix A is only applicable to the sampled claims Myers and Stauffer reviewed during the audit. The overpayment calculated from our sample is \$7,817.61. The sample was not confirmed to be representative of the universe; therefore, it would not be appropriate to project the test results to the universe.

The total amount due to HHSC-OIG is \$7,817.61 for the claims reviewed. Based on the finding cited in this Final Audit Report, the Provider is directed to:



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- Remit the overpayment in the amount of \$7,817.61 pursuant to 1 TAC §371.1719, Recoupment of Overpayments Identified by Audit. Payment is to be made to HHSC-OIG.
 - Comply with all state and federal Medicaid laws, regulations, rules, policies and contractual requirements.



Appendix A - Detailed Findings

Comfort & Care Medical Supplies, Inc.
 Project Number 031
 NPI 1669570172

Original Claims Information											Audit Determination				
Sample Line Number	MCO Name	State Issued Medicaid ID	Member Full Name	Claim Number	Date of Service	Procedure Code	Procedure Modifier 1	Units Billed	Billed Amount	Paid Amount	Finding Type	Supporting Policy Reference	Recoupment Type	Corrected Claim Payment	Overpayment Amount
21	UnitedHealthCare Community Plan					T2029	NU		\$3,931.23	\$3,931.23	INCORRECT REIMBURSEMENT	A	1	\$1,376.00	\$2,555.23
24	UnitedHealthCare Community Plan					T2029	NU		\$7,988.36	\$2,795.93	INCORRECT REIMBURSEMENT	A	1	\$2,210.34	\$585.59
47	UnitedHealthCare Community Plan					T2029	NU		\$1,435.61	\$1,435.61	INCORRECT REIMBURSEMENT	A	1	\$501.96	\$933.65
56	UnitedHealthCare Community Plan					T2029	NU		\$3,931.23	\$1,375.93	AUTHORIZING PHYSICIAN WAS NOT ENROLLED IN TEXAS MEDICAID	B	2	\$0.00	\$1,375.93
65	UnitedHealthCare Community Plan					T2029	NU		\$3,788.38	\$1,325.93	INCORRECT REIMBURSEMENT	A	1	\$1,218.00	\$107.93
101	UnitedHealthCare Community Plan					T2029	NU		\$684.68	\$684.68	INCORRECT REIMBURSEMENT	A	1	\$239.40	\$445.28
102	UnitedHealthCare Community Plan					T2029	NU		\$678.68	\$678.68	INCORRECT REIMBURSEMENT	A	1	\$237.30	\$441.38
103	UnitedHealthCare Community Plan					T2029	NU		\$675.68	\$675.68	INCORRECT REIMBURSEMENT	A	1	\$236.25	\$439.43
107	UnitedHealthCare Community Plan					T2029	NU		\$638.98	\$638.98	INCORRECT REIMBURSEMENT	A	1	\$226.80	\$412.18
117	UnitedHealthCare Community Plan					T2029	NU		\$1,394.92	\$488.25	INCORRECT REIMBURSEMENT	A	1	\$393.75	\$94.50
142	UnitedHealthCare Community Plan					T2029	NU		\$321.30	\$321.30	INCORRECT REIMBURSEMENT	A	1	\$118.12	\$203.18
147	UnitedHealthCare Community Plan					T2029	NU		\$835.67	\$292.48	INCORRECT REIMBURSEMENT	A	1	\$236.25	\$56.23
183	UnitedHealthCare Community Plan					T2029	NU		\$531.96	\$186.19	INCORRECT REIMBURSEMENT	A	1	\$124.08	\$62.11
233	UnitedHealthCare Community Plan					T2029	NU		\$299.98	\$104.99	AUTHORIZING PHYSICIAN WAS NOT ENROLLED IN TEXAS MEDICAID	B	2	\$0.00	\$104.99
Totals									\$27,136.66	\$14,935.86				\$7,118.25	\$7,817.61



Legends

Finding Type	Policy Reference	Recoupment Type	Definition
INCORRECT REIMBURSEMENT	A	1	The claim was not reimbursed at the agreed upon/contracted provider rate.
AUTHORIZING PHYSICIAN WAS NOT ENROLLED IN TEXAS	B	2	The authorizing provider was not enrolled in Texas Medicaid.

Recoupment Type	Recoupment Type Definition
1	Partial Recoupment
2	Full Recoupment

Reference	Supporting Policy	Policy
A	TMPPM 2018-2022 Vol. 2 §2.6*	Reimbursement for benefits that are administered by a Texas Medicaid MCO or DMO is determined by the MCO or DMO. Providers should contact the MCO or DMO for additional information.
B	1 TAC § 352.5(a)	(a) Enrollment in Medicaid or CHIP is required for: (1) a person or an entity seeking to provide health care services or benefits in Medicaid or CHIP; and (2) a health care practitioner who: (A) refers, orders, prescribes, certifies, or renders health care services or benefits for eligible recipients; or (B) supervises or is supervised by another health care practitioner who performs the functions described in subparagraph (A) of this paragraph

* Any references to Volume 2 of the TMPPM refer to the Medicaid Managed Care Handbook.