



# Case-by-Case Services

## Superior HealthPlan, Inc., and Superior HealthPlan Network

### Results in Brief

#### Why OIG Conducted This Inspection

Case-by-case services are additional health-related services not covered by the state plan that an MCO may offer individual members. MCOs have the flexibility to provide case-by-case services without obtaining approval from the Texas Health and Human Services Commission (HHSC). MCOs may not include case-by-case services in the reporting of Medicaid medical expenses HHSC uses to calculate capitation payments. MCOs are financially responsible for the case-by-case services they provide.

The Texas Health and Human Services (HHS) Office of Inspector General Audit and Inspections Division (OIG Inspections) initiated this inspection series because of the potential for MCOs to misclassify encounters in their HHSC financial reports.

#### Summary of Review

The inspection objective was to determine whether Superior HealthPlan Inc. and Superior HealthPlan Network (Superior) reported case-by-case services in accordance with applicable requirements. The inspection scope covered the period from September 1, 2021, through August 31, 2022.

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#### Key Results

Superior HealthPlan Inc. and Superior HealthPlan Network (Superior), a Texas Medicaid managed care organization (MCO), misclassified encounter data for non-covered services on its financial statistical reports (FSRs) submitted to the Texas Health and Human Services Commission (HHSC).

Of the 6,604 encounters tested, Superior did not code 1,517 (23 percent) with the correct financial arrangement code to classify them as case-by-case services. Superior confirmed with OIG Inspections that it included the non-covered services as covered medical expenses, thereby overstating the total medical expenses by \$65,588 on its 2022 FSR.

From the encounters classified as case-by-case services, OIG Inspections tested 32 patient records for supporting documentation. Superior had documentation to support the reason for providing non-covered Medicaid services, as required.

#### Recommendations

Superior should:

- Implement controls to correctly classify non-covered services it provides as case-by-case services.
- Code non-covered services as case-by-case services using financial arrangement code 21 and report the benefits as "Total Case-by-Case Services" on part 5 of the FSR, "Medical Expenses by Service Type," in the "Not Included in Total Medical Above" section.
- Consult HHSC Financial Reporting and Audit Coordination to determine how best to correct the misreported medical expenses.

#### Management Response

Superior agreed with the recommendations and indicated all corrective actions had been implemented by October 2024.