



# Medcare Clinics PLLC

## A Texas Medicaid and CHIP Provider

### 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) conducted an audit of telemedicine services provided by Medcare Clinics PLLC (Medcare). During the audit scope, which covered the period from June 1, 2020, through May 31, 2021, Medcare was paid \$182,401 for 1,532 Medicaid and Children’s Health Insurance Program (CHIP) managed care claims for evaluation and management services provided via telemedicine with add-on codes for psychotherapy.

The COVID-19 pandemic prompted an increased use of telemedicine to connect providers with their patients, and the state of Texas adopted waivers and changes to ease technology restrictions and expand the number of Medicaid services available through telemedicine.

OIG Audit initiated this audit of Medcare due to the risk associated with telemedicine claims for evaluation and management with add-on psychotherapy services as these services must be (a) significant and separately identifiable and (b) medical services that would be billable if provided in person.

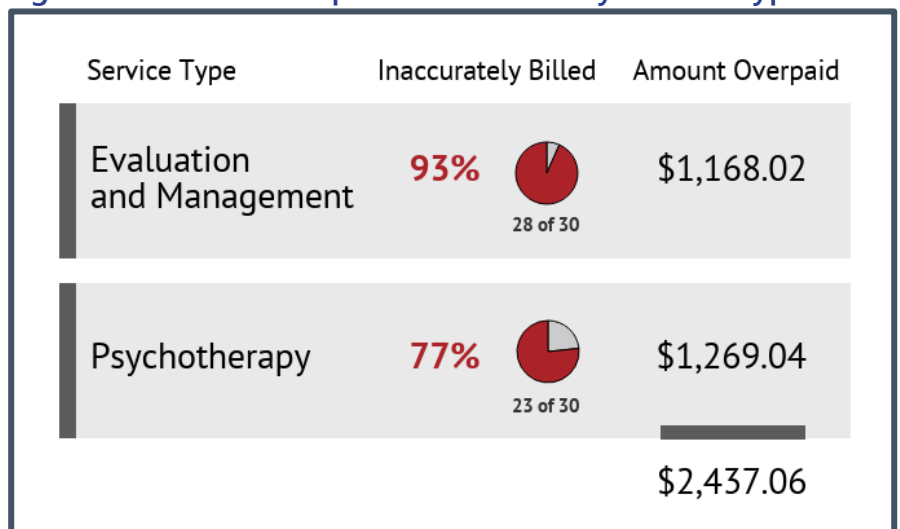
#### Conclusion

Medcare Clinics PLLC (Medcare) provided psychiatric services to its patients via telemedicine; however, Medcare incorrectly billed for services that it provided for evaluation and management and add-on psychotherapy services. As a result, Medcare was overpaid \$2,437.06.

#### Key Results

Medcare’s physician and advanced practice nurses, who are licensed to provide medical services in Texas, provided behavioral health services in the same manner as those in a traditional in-person setting as required. However, for 30 claims tested, Medcare did not always bill the appropriate Current Procedural Terminology (CPT) codes based on time duration parameters for telemedicine evaluation and management services with add-on psychotherapy services. As a result of Medcare’s incorrect billing, Medcare received an overpayment of \$2,437.06 for telemedicine evaluation and management services with add-on psychotherapy services. Figure 1 details the amount overpaid to Medcare by service type.

**Figure 1: Amount Overpaid to Medcare by Service Type**



Source: OIG Audit

## Summary of Review

The audit objective was to determine whether telemedicine services provided by Medicare during the COVID-19 waiver period (a) were billed accurately and (b) followed applicable requirements.

The audit scope includes Medicaid and CHIP managed care telemedicine claims paid for evaluation and management services with add-on psychotherapy services for the period from June 1, 2020, through May 31, 2021, as well as a review of relevant internal controls.

## Background

Medicare provides psychiatric, psychological, and counseling services from its office in Houston, Texas. This audit focused on evaluation and management and psychotherapy telemedicine services provided to CHIP members and to Texas Medicaid members through the State of Texas Access Reform (STAR) program.

Telemedicine is a health care service that is (a) delivered by a physician licensed in the state of Texas, or a health care professional acting under the delegation and supervision of a physician licensed in Texas, acting within the scope of the physician's or health care professional's license, (b) provided to a patient at a different physical location than the physician or health care professional, and (c) provided using telecommunications or information technology.

## Management Response

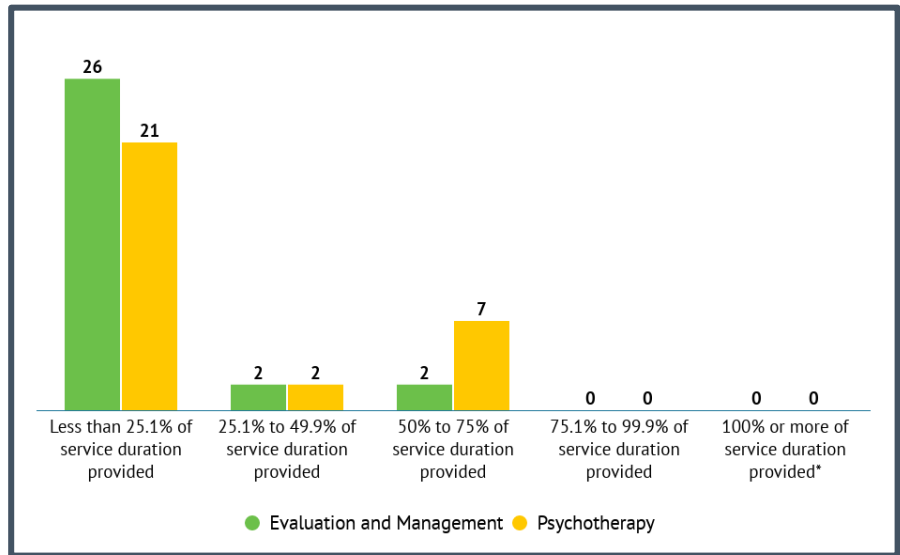
Medicare agreed with the audit recommendations and indicated corrective actions would be fully implemented by May 2022.

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

Medicare must return a total of \$2,437.06 to the state of Texas for services that were overpaid.

Figure 2 details the length of each telemedicine visit by percentage compared to CPT time duration parameters. For example, psychotherapy CPT code 90833 has a minimum duration of 16 minutes. If the recorded time spent by the provider on psychotherapy services was 4 minutes, the visit would be identified in Figure 2 as less than 25.1 percent of the required time met during the visit.

**Figure 2: Summary of Telemedicine Visit Durations by Medicare**



\* Telemedicine visits identified as 100 percent or more met or exceeded the identified time duration.

Source: OIG Audit

## Recommendations

In addition to returning \$2,437.06 to the state of Texas, Medicare should implement processes to ensure that (a) claims for services billed as time-based CPT codes are based on the actual length of services provided and (b) medical records include documentation to support the CPT codes billed.