



Ambulance Claims Oversight

Molina Healthcare of Texas, Inc.

Results in Brief

Why OIG Conducted This Inspection

In 2021 and 2022, the Texas Health and Human Services (HHS) Office of Inspector General (OIG) Audit and Inspections Division performed two audits of ground emergency ambulance services. As part of testing, auditors identified non-medically necessary claims, submitted with the required modifier, were paid as medically necessary.

Summary of Review

The inspection objective was to determine whether Molina Healthcare has processes and controls to ensure ambulance claim payments comply with select requirements. The inspection scope covered the period from September 1, 2021, through August 31, 2022.

During the scope of the inspection, Molina Healthcare received \$3.3 billion in Texas Medicaid funds and served an average of 252,925 Texas Medicaid recipients from eight counties each month.

For more information, contact:

OIGInspectionsReports@hhs.texas.gov

Key Results

The Texas Health and Human Services (HHS) Office of Inspector General Audit and Inspections Division (OIG Inspections) conducted an inspection of ambulance services claims paid by Molina Healthcare of Texas, Inc. (Molina Healthcare), a Texas Medicaid managed care organization (MCO).

Molina Healthcare's claims system has controls in place to identify non-medically necessary claims and deny the claims as required. However, Molina Healthcare's claims system did not have controls to consistently ensure compliance with required (a) prior authorizations, (b) claims modifiers, or (c) procedure code combinations. Specifically, Molina Healthcare allowed payment for:

- 10 of 45 tested nonemergency ambulance claims, without required prior authorization.
- 6 tested emergency ambulance claims, without the required modifier. Additionally, 3 of the six did not have the required transport procedure codes.

Recommendations

Molina should:

- Strengthen its claims processing controls to (a) identify claims requiring a prior authorization and (b) deny the claim if a prior authorization is not obtained.
- Clarify its standard operating procedures language and train its claims processing staff on nonemergency and emergency transport claims processing.

Management Response

Molina agreed with the inspection recommendations and indicated corrective actions would be implemented by July 31. Molina's management responses are included in the report following each recommendation.