

Inspections Report

Ambulance Claims Oversight

Driscoll Health Plan



**Inspector
General**

Texas Health
and Human Services

August 29, 2023
OIG Report No. INS-23-011



Ambulance Claims Oversight

Driscoll Health Plan

Results in Brief

Why OIG Conducted This Inspection

In 2021, the OIG Audit and Inspections Division audited ground emergency ambulance services and found an ambulance provider submitted non-medically necessary claims with the required modifier and the claims were paid by some MCOs as medically necessary.

Summary of Review

The inspection objective was to determine whether Driscoll Health Plan has processes and controls in place to deny non-medically necessary ambulance claims in compliance with applicable requirements.

The inspection scope covered the period from September 1, 2021, through August 31, 2022.

Management Response

OIG Inspections presented preliminary inspection results, issues, and recommendations to Driscoll in a draft report dated August 21, 2023. Driscoll agreed with the inspection recommendations and indicated corrective actions had already been taken. Driscoll's management response is included in the report following the recommendation.

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 Medicaid ambulance services claims paid by Driscoll Health Plan (Driscoll), a Texas Medicaid managed care organization (MCO) contracted to provide Medicaid and Children's Health Insurance Program (CHIP) services to members.

The inspection tested 33 of Driscoll's non-medically necessary ambulance claims, indicated by a GY modifier, during the inspection scope. Driscoll's claims processing system is programmed with Texas Medicaid-specific coding requirements. However, Driscoll's claim processing controls did not have sufficient edits in place to deny all non-medically necessary claims filed with a conflicting GY modifier and an emergency modifier. Consequently, Driscoll paid for nine non-medically necessary ambulance claims that contained a GY modifier.

Recommendations

Driscoll should:

- Retrospectively review and recover all identified payments made to providers for claims with GY modifier.
- Adjust its claims processing system programming to (a) identify all non-medically necessary claims submitted with the GY modifier and (b) deny these claims.

Table of Contents

Inspection Overview	1
Overall Results	1
Objective	2
Scope	2
Background	2
What Prompted This Inspection	2
Detailed Results	3
Observation: Driscoll Paid Nine Non-Medically Necessary Transport Claims	3
Appendix A: Methodology, Standards, and Criteria	5
Appendix B: Related Reports	7
Appendix C: Resources for Additional Information.....	8
Appendix D: Report Team and Distribution	9
Appendix E: OIG Mission, Leadership, and Contact Information....	11

Inspection Overview

Overall Results

The Texas Health and Human Services (HHS) Office of Inspector General Audit and Inspections Division (OIG Inspections) conducted an inspection of Medicaid ambulance services claims received by Driscoll Health Plan (Driscoll), a Texas Medicaid managed care organization (MCO) contracted to provide Medicaid and Children's Health Insurance Program (CHIP) services to members.

The inspection tested 33 of Driscoll's non-medically necessary ambulance claims, indicated by a GY modifier, during the inspection scope.

Driscoll's claims processing system is programmed with Texas Medicaid-specific coding requirements. However, Driscoll's claim processing controls did not have sufficient edits in place to (a) identify non-medically necessary claims with a GY modifier and (b) deny the claims, as required. Consequently, Driscoll paid for non-medically necessary ambulance claims that contained a GY modifier.

OIG Inspections offered recommendations to Driscoll, which, if implemented, will help Driscoll's ambulance claim payments comply with applicable requirements.

This report is considered written education in accordance with Texas Administrative Code.¹ Inspection findings identified in this report (a) may be referred to the Texas Health and Human Services Commission (HHSC) for potential pursuit of enforcement remedies or (b) may be subject to OIG administrative enforcement measures,² including administrative penalties.³

OIG Inspections presented preliminary inspection results, issues, and recommendations to Driscoll in a draft report dated August 21, 2023. Driscoll agreed with the inspection recommendations and indicated corrective actions had already been taken. Driscoll's management response is included in the report following the recommendation.

OIG Inspections thanks management and staff at Driscoll for their cooperation and assistance during this inspection.

¹ 1 Tex. Admin. Code § 371.1701 (May 1, 2016).

² 1 Tex. Admin. Code § 371.1603 (May 20, 2020).

³ Tex. Hum. Res. Code § 32.039 (Apr. 2, 2015).

Objective

The inspection objective was to determine whether Driscoll has processes and controls to ensure non-medically necessary ambulance claims are denied in compliance with applicable requirements.

Scope

The inspection scope covered the period from September 1, 2021, through August 31, 2022.

Background

Texas Medicaid ambulance services include both nonemergency and emergency transports. An emergency transport service is a Medicaid benefit when the member has an emergency medical or behavioral health condition. A nonemergency ambulance transport is a Medicaid benefit for members to or from scheduled medical appointments or licensed treatment facilities, or to the member's home after discharge from a hospital when the member has a medical condition for which the use of an ambulance is the only means of transportation. Driscoll network providers must use the GY modifier when submitting a claim for a non-medically necessary transport.⁴ Ambulance transportation must be medically necessary for the patient's condition at the time of transport to be eligible for payment under Medicaid.⁵

During the scope of the inspection, Driscoll received \$1.1 billion in Texas Medicaid funds and served an average of 147,191 Texas Medicaid members each month.

What Prompted This Inspection

In 2021, the OIG Audit and Inspections Division audited ground emergency ambulance services and found an ambulance provider submitted non-medically necessary claims with the required modifier and the claims were paid by some MCOs as medically necessary. The audit report can be found in Appendix B.

⁴ Texas Medicaid Provider Procedures Manual, Vol. 2, "Ambulance Services Handbook" § 2.2.5.7 (Sept. 2021 through Aug. 2022).

⁵ Texas Medicaid Provider Procedures Manual, Vol. 2, "Ambulance Services Handbook" § 2.2 (Sept. 2021 through Aug. 2022).

Detailed Results

OIG Inspections reviewed 33 of Driscoll's non-medically necessary transport claims with a GY modifier for service dates from September 1, 2021, through August 31, 2022, to determine whether they complied with Texas Medicaid requirements.

OIG Inspections confirmed with Driscoll that Driscoll expects its providers to use the GY modifier to submit claims when the provider is aware no medical necessity existed, as required by the Texas Medicaid Provider Procedures Manual (TMPPM) Ambulance Services Handbook. Ambulance transport claims received with a GY modifier should not be paid with Medicaid funds.

The following sections of this report provide additional detail about the findings of noncompliance observed by OIG Inspections.

Observation: Driscoll Paid Nine Non-Medically Necessary Transport Claims

Driscoll paid 9 of the 33 non-medically necessary transport claims reviewed (27 percent) in error.

Driscoll's claims processing system is programmed with Texas Medicaid-specific coding requirements. Driscoll's claims processing system had rules in place to identify and deny some non-medically necessary transport claims submitted with a GY modifier. However, Driscoll asserted its claims processing system did not include rules to identify and deny ambulance claims submitted with the GY modifier when also submitted with both an emergency transport modifier and associated mileage claims. This resulted in nine non-medically necessary transport claims being paid in error.

Payments for non-medically necessary transport claims containing a GY modifier may result in overpayments to ambulance transport providers.

Recommendation

Driscoll should:

- Retrospectively review and recover all identified payments made to providers for claims with GY modifier.
- Modify its claims processing system programming to include rules that (a) identify all non-medically necessary claims submitted with the GY modifier and (b) deny these claims.

Management Response

In response to the inspection results and recommendations, Driscoll Health Plan confirms:

- Retrospective review has been completed and all identified payments made to providers with GY modifier have been recovered; all claim adjustments were confirmed as completed on 8/8/23.
- Modification of our claim processing system was completed on 3/8/23, to include rules that identify all non-medically necessary claims submitted with the GY modifier for appropriate claim denial.

OIG Inspections Comment

OIG Inspections did not conduct follow-up testing to verify Driscoll's assertions that it completed the retrospective review, completed all claims adjustments, and adequately modified its claim processing system.

Appendix A: Methodology, Standards, and Criteria

Detailed Methodology

To achieve its objective, OIG Inspections collected information through (a) discussions with OIG Fraud Analytics and Data Operations staff, (b) discussions and interviews with Driscoll staff, and (c) a review of:

- Statutes, regulations, policies, and procedures that address the objective.
- Encounter and paid claims data.

To select an MCO for inspection, OIG Inspections considered the following criteria:

- MCOs' responses to an OIG Inspections questionnaire.
- Number of ambulance encounters with a GY modifier.

OIG Fraud Analytics and Data Operations staff identified 38,176 ambulance encounters during the scope of the inspection for Driscoll. Of those, four ambulance providers submitted the 61 ambulance encounters with a GY modifier. OIG Inspections focused on the encounters submitted by the provider with 50 of the 61 encounters. The 50 encounters resulted in a total of 33 claims for testing.⁶ Of those, nine claims had a paid status. Driscoll had made final payment on all nine claims.

Standards

OIG Inspections conducts inspections of Texas HHS programs, systems, and functions. Inspections are designed to be expeditious, targeted examinations into specific programmatic areas to identify systemic trends of fraud, waste, or abuse. Inspection reports present factual data accurately, fairly, and objectively, and present findings, conclusions, and recommendations in a persuasive manner to strengthen program effectiveness and efficiency. OIG Inspections conducted the inspection in accordance with *Quality Standards for Inspection and Evaluation* issued by the Council of the Inspectors General on Integrity and Efficiency.

⁶ A claim can contain one or more encounters for each procedure code performed on the date of service.

Criteria

OIG Inspections used the following criteria to evaluate the information provided:

- Texas Medicaid Provider Procedures Manual, Vol. 2, "Ambulance Services Handbook" §§ 2.2 and 2.2.5.7 (2021 through 2022)

Appendix B: Related Reports

- Inspection of Ambulance Claims Oversight: Molina Healthcare of Texas, Inc., [INS-23-009](#), June 1, 2023
- Audit of Acadian Ambulance Services, [AUD-21-015](#), July 28, 2021

Appendix C: Resources for Additional Information

The following resources provide additional information about the topics covered in this report.

For more information on ambulance services:

"TMPPM Ambulance Services Handbook," HHSC,
<https://www.tmhp.com/sites/default/files/file-library/resources/provider-manuals/tmpm/archives/2023-06-TMPPM.pdf> (accessed June 21, 2023)

For more information on Driscoll Health Plan:

Homepage, Driscoll Health Plan, <https://driscollhealthplan.com/> (accessed June 21, 2023)

Appendix D: Report Team and Distribution

Report Team

OIG staff members who contributed to this inspection report include:

- Anton Dutchover, CPA, Deputy Inspector General of Audit and Inspections
- Bruce Andrews, CPA, CISA, Director of Inspections
- James Aldridge, CFE, Manager of Inspections
- Marco Diaz, Lead Inspector
- Kenin Weeks, Senior Inspector
- Tiana Clayton, Senior Inspector
- Mo Brantley, Senior Audit Operations Analyst

Report Distribution

Health and Human Services

- Cecile Erwin Young, Executive Commissioner
- Kate Hendrix, Chief of Staff
- Maurice McCreary, Jr., Chief Operating Officer
- Jordan Dixon, Chief Policy and Regulatory Officer
- Karen Ray, Chief Counsel
- Michelle Alletto, Chief Program and Services Officer
- Nicole Guerrero, Chief Audit Executive
- Emily Zalkovsky, Chief Medicaid and CHIP Services Officer, Medicaid and CHIP Services
- Shannon Kelley, Deputy Executive Commissioner for Managed Care
- Dana L. Collins, Deputy Executive Commissioner for Operations, Medicaid and CHIP Services

Driscoll Health Plan

- Craig Smith, Chief Executive Officer
- Jennifer Brooks, Vice President Claims Administration
- Wendy Shaw, Director Claims Administration
- J.R. Trevino, Director Special Investigations Unit
- Beth Linnehan, Ethics and Compliance Auditor
- Lynn Ramsey, Internal Auditor
- Dianna Love, Senior Director Claims, Credentialing and Provider Data

Appendix E: OIG Mission, Leadership, and Contact Information

The mission of OIG is to prevent, detect, and deter fraud, waste, and abuse through the audit, investigation, and inspection of federal and state taxpayer dollars used in the provision and delivery of health and human services in Texas. The senior leadership guiding the fulfillment of OIG's mission and statutory responsibility includes:

- Sylvia Hernandez Kauffman, Inspector General
- Kacy J. VerColen, Chief of Audit and Inspections
- Diane Salisbury, Chief of Data Reviews
- Susan Biles, Chief of Staff, Chief of Policy and Performance
- Erik Cary, Chief Counsel
- Matt Chaplin, Chief of Operations
- Steve Johnson, Chief of Investigations and Utilization Reviews

To Obtain Copies of OIG Reports

- OIG website: ReportTexasFraud.com

To Report Fraud, Waste, and Abuse in Texas HHS Programs

- Online: <https://oig.hhs.texas.gov/report-fraud-waste-or-abuse>
- Phone: 1-800-436-6184

To Contact OIG

- Email: oig.generalinquiries@hhs.texas.gov
- Mail: Texas Health and Human Services
Office of Inspector General
P.O. Box 85200
Austin, Texas 78708-5200
- Phone: 512-491-2000