

Audit Report

Electroencephalogram (EEG) Services in Texas Medicaid

Memorial Hermann Health System



**Inspector
General**

Texas Health
and Human Services

February 29, 2024
OIG Report No. AUD-24-005



Electroencephalogram (EEG) Services in Texas Medicaid

Memorial Hermann Health System

Results in Brief

Summary of Review

The audit objective was to determine whether claims submitted by Memorial Hermann Health System (Memorial Hermann) for ambulatory electroencephalogram (EEG) tests were in compliance with selected Texas Medicaid Provider Procedures Manual (TMPPM) regulations.

The audit scope covered the period from September 1, 2019, through August 31, 2021.

Background

Ambulatory EEG providers must submit claims for ambulatory EEGs with specific procedure codes and diagnosis codes to be reimbursable under Texas Medicaid. Procedure codes identify services provided, while diagnosis codes help identify the reason the service was provided.

Medical providers submit claims to managed care organizations (MCOs), which reimburse the claims. MCOs submit encounter data to the Texas Health and Human Services Commission (HHSC) to coordinate and manage Medicaid services.

For more information, contact:
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Conclusion

For 30 encounters tested, Memorial Hermann Health System (Memorial Hermann) did not always comply with selected Texas Medicaid Provider Procedures Manual (TMPPM) regulations when submitting claims for ambulatory electroencephalogram (EEG) services provided to Medicaid members.

Memorial Hermann did not include an allowable diagnosis code on the Medicaid claim for 15 of 30 (50 percent) ambulatory EEG encounters tested, as required. However, Memorial Hermann did have supporting documentation that it (a) performed ambulatory EEG tests represented by tested encounter data and (b) submitted the claims with allowable procedure codes.

Recommendation

Memorial Hermann should develop a process to validate claims submitted for payment comply with the TMPPM and include allowable diagnosis codes.

Management Response

The Texas Health and Human Services (HHS) Office of Inspector General (OIG) Audit and Inspections Division (OIG Audit) presented preliminary audit results, issues, and recommendations to Memorial Hermann in a draft report dated February 13, 2024. Memorial Hermann agreed with the audit recommendations and indicated corrective actions would be implemented by July 2024. Management responses from Memorial Hermann are included in the report following each recommendation.

Why OIG Conducted This Audit

OIG Audit initiated this audit in response to an analysis identifying Texas Medicaid members whose ambulatory EEG encounter data did not include allowable diagnosis codes. The analysis was based solely on encounter data and did not indicate wrongdoing. Ambulatory EEG claims submitted without an allowable diagnosis should be denied by an MCO and additional information requested.

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Audit Overview

Overall Conclusion

For 30 encounters tested, Memorial Hermann Health System (Memorial Hermann) did not always comply with selected Texas Medicaid Provider Procedures Manual (TMPPM) regulations when submitting claims for ambulatory electroencephalogram (EEG) services provided to Medicaid members.

Key Audit Results

Memorial Hermann did not include an allowable diagnosis code on the Medicaid claim for 15 of 30 (50 percent) ambulatory EEG encounters tested, as required. However, Memorial Hermann did have supporting documentation that it (a) performed ambulatory EEG tests represented by tested encounter data and (b) submitted the claims with allowable procedure codes.

The Texas HHS Office of Inspector General (OIG) Audit and Inspections Division (OIG Audit) made recommendations which, if implemented, will help Memorial Hermann comply with applicable requirements.

The “Detailed Audit Results” section of this report presents additional information about the audit results and is considered written education in accordance with Texas Administrative Code.¹ In addition, other audit issues identified in this report may be subject to damages or OIG administrative enforcement measures,² including administrative penalties.³

OIG Audit presented preliminary audit results, issues, and recommendations to Memorial Hermann in a draft report dated February 13, 2024. Memorial Hermann

Objective

The audit objective was to determine whether claims submitted by Memorial Hermann for ambulatory EEG tests were in compliance with selected TMPPM regulations.

Scope

The audit scope covered the period from September 1, 2019, through August 31, 2021.

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).

agreed with the audit recommendations and indicated corrective actions would be implemented by July 2024. Management responses from Memorial Hermann are included in the report following the recommendation.

Background

Ambulatory EEGs, a covered benefit for Medicaid members, are diagnostic tests that measure the electrical activity of the brain using highly sensitive recording equipment attached to the scalp by electrodes. Ambulatory EEGs offer the ability to record the EEG on a long-term, outpatient basis. Providers must submit claims for ambulatory EEGs with specific procedure codes and diagnosis codes to be reimbursable under Texas Medicaid. Procedure codes identify services provided, while diagnosis codes help identify the reason the service was provided.

Medical providers submit claims to managed care organizations (MCOs), which reimburse the claims. MCOs submit encounter data to the Texas Health and Human Services Commission (HHSC), to coordinate and manage Medicaid services.

During state fiscal years 2020 and 2021, which included the period from September 1, 2019, through August 31, 2021, Memorial Hermann provided EEG services to Texas Medicaid members, for which it received reimbursements totaling nearly \$50.5 million.

Auditing Standards

Generally Accepted Government Auditing Standards

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, 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.

What Prompted This Audit

OIG Audit initiated this audit in response to an analysis identifying Texas Medicaid members whose ambulatory EEG encounter data did not include allowable diagnosis codes. The analysis was based solely on encounter data and did not indicate wrongdoing. Ambulatory EEG claims submitted without an allowable diagnosis code should be denied by an MCO and additional information requested.

Detailed Audit Results

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

Chapter 1: Memorial Hermann Did Not Always Include Required Diagnosis Codes on Its Claims

Memorial Hermann did not include an allowable diagnosis code on the Medicaid claims submitted for 15 of 30 (50 percent) ambulatory EEG encounters tested, as required by the TMPPM.⁴ However, Memorial Hermann did have supporting documentation that it performed ambulatory EEG tests and submitted those claims with allowable procedure codes.

OIG Audit reviewed medical records supporting a sample of 30 ambulatory EEG encounters, which represent paid claims. These records included the patient's registration, medical history, physical examination results, and EEG report. Auditors used these records to determine whether Memorial Hermann delivered and submitted claims for ambulatory EEG tests in compliance with selected TMPPM regulations.

Memorial Hermann made coding errors on its claims for Medicaid reimbursement. While its medical records supported services rendered, it did not always include the allowable diagnosis codes in the claims it submitted. MCOs should deny claims without allowable diagnosis codes, which could otherwise result in an overpayment to the provider. OIG Audit will send a copy of the report to the MCOs that paid the tested claims (Community Health Choice, Superior HealthPlan, and UnitedHealthcare Community Plan) as written education.

⁴ Texas Medicaid Provider Procedures Manual, Vol. 2, "Medical and Nursing Specialists, Physicians, and Physician Assistants Handbook" § 9.2.26.2 (Sept. 2019 through Feb. 2020) and § 9.2.25.2 (Mar. 2020 through Aug. 2021).

Recommendation

Memorial Hermann should develop a process to validate claims submitted for payment comply with the TMPPM and include allowable diagnosis codes.

Management Response

Action Plan

1. The coding staff was educated on December 1, 2023, to train that the entire medical record, including the physician electronic orders, is reviewed to determine the appropriate diagnosis code to support the EEG.
2. Any ongoing coding misses are added as agenda items to the coding team's monthly coder team meetings, which also results in monitoring for compliance afterwards, to the extent necessary.
3. Memorial Hermann coding leadership has engaged their coding compliance vendor to develop a rule within its product to trigger cases for second-level review based on the charge and a missing covered diagnosis to ensure that the diagnoses make it to the claim. This rule will trigger a second check by the coder and will then go to the auditor to review prior to billing.
4. The Memorial Hermann Corporate Compliance department will add annual "review diagnosis codes" for EEGs to our Annual Work Plan for at least the next three years.

Responsible Managers

- The Revenue Cycle executive responsible for implementing changes to the coding team is the Senior Vice President, Revenue Cycle.
- Chief Compliance Officer, Senior Vice President, has responsibility for oversight of the Memorial Hermann Compliance Program.

Target Implementation Dates

1. Completed with additional education ongoing as necessary.
2. Implemented and ongoing.
3. March 31, 2024.
4. Beginning in fiscal year 2025, which commences on July 1, 2024, and continuing.

Appendix A: Objective, Scope, and Criteria

Objective and Scope

The audit objective was to determine whether claims submitted by Memorial Hermann for ambulatory EEG tests were in compliance with selected TMPPM regulations.

The audit scope covered the period from September 1, 2019, through August 31, 2021.

Criteria

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

- Texas Medicaid Provider Procedures Manual, Vol. 2, "Medical and Nursing Specialists, Physicians, and Physician Assistants Handbook," § 9.2.26.2 (Sept. 2019 through Feb. 2020) and § 9.2.25.2 (Mar. 2020 through Aug. 2021)

Appendix B: Detailed Methodology

OIG Audit issued an engagement letter to Memorial Hermann on October 24, 2023, providing information about the upcoming audit, and conducted fieldwork from October 24, 2023, through January 4, 2024.

To accomplish the audit objectives, auditors:

- Conducted interviews with Memorial Hermann management and staff responsible for policies, procedures, and processes relating to submitting Medicaid claims.
- Performed selected tests of the relevant evidence.

OIG Audit selected a risk-based, nonstatistical sample of 30 ambulatory EEG encounters. This sample design was chosen to address specific risk factors identified in the population. The sample items were generally not representative of the population; therefore, it would not be appropriate to project the test results to the population.

Data Reliability

OIG Audit also reviewed Memorial Hermann's system of internal controls, including components of internal control,⁵ within the context of the audit objectives. OIG Audit assessed the reliability of data provided by Memorial Hermann by tracing sample documentation support to the UnitedHealthcare Community Plan, Community Health Choice, and Superior HealthPlan MCO encounters and interviewing relevant Memorial Hermann personnel knowledgeable about the systems and data. OIG Audit determined that the data was sufficiently reliable for the purpose of this audit.

⁵ For more information on the components of internal control, see the United States Government Accountability Office's *Standards for Internal Control in the Federal Government*, (Sept. 2014), <https://www.gao.gov/assets/gao-14-704g.pdf> (accessed Apr. 16, 2021).

Appendix C: Related Reports

- Electroencephalogram (EEG) Services in Texas Medicaid: Cook Children's Medical Center, [AUD-24-003](#), February, 14, 2024

Appendix D: Resources for Additional Information

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

For more information on Memorial Hermann Health System:

Homepage, Memorial Hermann Health System, <https://memorialhermann.org/>
(accessed Jan. 10, 2024)

For more information about EEG service types:

Epilepsy Foundation, "Which EEG Type Is Best?"
<https://www.epilepsy.com/diagnosis/eeg/which-eeg-type-best-you>
(accessed Jan. 9, 2024)

Epilepsy Foundation, "Ambulatory EEG,"
<https://www.epilepsy.com/diagnosis/eeg/ambulatory>
(accessed Jan. 9, 2024)

Appendix E: Report Team and Distribution

Report Team

OIG staff members who contributed to this audit report include:

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Memorial Hermann Health System

- Robert McStay, Chief Compliance Officer, Senior Vice President
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Appendix F: 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:

- Raymond Charles Winter, Inspector General
- Susan Biles, Principal Deputy Inspector General
- Kacy J. VerColen, Chief of Audit and Inspections
- Eugenia Krieg, Chief of Staff, Chief of Policy and Performance
- Erik Cary, Chief Counsel
- Diane Salisbury, Chief of Data Reviews
- Matt Chaplin, Chief of Operations
- Steve Johnson, Chief of Investigations and Utilization Reviews

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- Phone: 1-800-436-6184

To Contact OIG

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