



Texas Health and Human Services Office of Inspector General Audit and Inspections Division

Follow-Up Assessment on Previously Issued Audit Recommendations

Fee-for-Service Claims Submitted by Maverick Medical Supply

AUD-24-008

May 13, 2024

Dear Mario Diaz and Ruth Diaz:

The Texas Health and Human Services (HHS) Office of Inspector General Audit and Inspections Division (OIG Audit) conducted a follow-up assessment of the previously issued audit report titled "Fee-for-Service Claims Submitted by Maverick Medical Supply: A Texas Medicaid Durable Medical Equipment and Supplies Provider" to determine the implementation status of audit recommendations previously issued by OIG Audit.

Based on the results of our assessment, OIG Audit determined that Maverick Medical Supply (Maverick) fully implemented all reported audit recommendations. As a result, OIG Audit did not reissue any recommendations from the previous audit. OIG Audit communicated less-significant observations to Maverick in a separate written communication.

OIG Audit thanks management at Maverick for their responsiveness, cooperation, and assistance during this assessment. The attachment to this letter contains additional details on the assessment.

Sincerely,

Anton Dutchover, CPA
Deputy Inspector General of Audit and Inspections

Attachment

cc: Cecile Erwin Young, HHS Executive Commissioner
Raymond Charles Winter, HHS Inspector General

Background

The previously issued audit report was published on November 30, 2020. The objective of the original audit was to determine whether there was valid support for the authorization and delivery of fee-for-service durable medical equipment (DME) and supplies associated with Medicaid claims submitted by and paid to Maverick as required by state laws, rules, and guidelines.



The scope of the original audit included paid fee-for-service claims for deliveries made from September 1, 2017, through August 31, 2019, and a review of relevant activities, internal controls, and information technology (IT) general controls through the end of fieldwork in October 2020.


Attachment

Figure 1 summarizes the implementation status of the recommendations included in the previously issued audit report, "Fee-for-Service Claims Submitted by Maverick Medical Supply: A Texas Medicaid Durable Medical Equipment and Supplies Provider," [AUD-21-003](#), issued November 30, 2020.

In the figure, "fully implemented" means Maverick successfully implemented the recommendation using a process, system, or policy.

Figure 1: Implementation Status of Audit Recommendations to Maverick

Implementation Status	Recommendation
 <p>Fully Implemented</p>	<p>Maverick should:</p> <ul style="list-style-type: none"> • Implement controls to ensure that products are delivered and Medicaid fee-for-service durable medical equipment (DME) and supplies claims are submitted to the Texas Medicaid and Healthcare Partnership (TMHP) only when Maverick has a current, complete, and valid Home Health Services (Title XIX) DME/Medical Supplies Physician Order Form (Title XIX form). • Return the overpayment amount of \$231.52 to the state of Texas for the two unauthorized claims not supported by a Title XIX form. <p>1</p>
 <p>Fully Implemented</p>	<p>Maverick should:</p> <ul style="list-style-type: none"> • Strengthen controls to ensure that quantities delivered do not exceed those authorized by Title XIX forms. • Return the overpayment amount of \$1,958.09 to the state of Texas for the 32 claims with deliveries in quantities more than the amounts authorized on the Title XIX forms. <p>2</p>

	<p>Fully Implemented</p>	<p>3</p> <p>Maverick should:</p> <ul style="list-style-type: none"> • Implement controls to ensure that Maverick has a current, complete, and valid Title XIX form prior to delivering products and submitting Medicaid fee-for-service DME and supplies claims to TMHP. • Return the overpayment amount of \$2,231.54 to the state of Texas for the 22 unauthorized claims not supported by a current Title XIX form.
	<p>Fully Implemented</p>	<p>4</p> <p>Maverick should:</p> <ul style="list-style-type: none"> • Implement controls to ensure that products are delivered and Medicaid fee-for-service DME and supplies claims are submitted to TMHP only when Maverick has a Title XIX form that includes a date the beneficiary was last seen by a physician. This date should be within the 12 months of signature date for services prior to July 1, 2018, and within 6 months of signature date for services July 1, 2018, and after, as required by the Texas Medicaid Provider Procedures Manual (TMPPM). • Return the overpayment amount of \$5,179.20 to the state of Texas for the 31 unauthorized claims not compliant with physician examination regulations.
<p>Fully Implemented</p>	<p>5</p> <p>Maverick should:</p> <ul style="list-style-type: none"> • Implement controls to ensure Medicaid fee-for-service DME and supplies claims are submitted to TMHP only when Maverick has an itemized invoice from the third-party supplier for DME and supplies and independent delivery confirmation from the carrier with corresponding tracking information for subcontracted deliveries. • Return the overpayment amount of \$2,134.65 to the state of Texas for 21 additional claims for which delivery could not be confirmed. 	

Source: OIG Audit

Through its implementation of the audit recommendations, Maverick (a) supported fee-for-service claims submitted to TMHP by retaining required

documentation and (b) returned overpayment amounts of \$11,735.00 to the state of Texas for claims that were not supported by required documentation.

Objective, Scope, Methodology, Criteria, and Standards

Objective and Scope

The objective of this follow-up assessment was to determine the implementation status of OIG Audit's previously issued recommendations to Maverick, which included testing the effectiveness of management activities designed to remediate identified recommendations.

The scope of the assessment was limited to reviewing the implementation status of recommendations identified in the previously issued audit report.

Methodology

OIG Audit issued an engagement letter to Maverick on December 13, 2023, providing information about the upcoming assessment, and conducted testing from March 1, 2024, through April 15, 2024.

OIG Audit reviewed the previously issued audit report and performed a follow-up assessment of the reported findings, recommendations, and management responses.

Data Reliability

OIG Audit assessed the reliability of Maverick's fee-for-service claims data and documentation by tracing claims data to the documentation, interviewing relevant Maverick personnel knowledgeable about the documentation, and observing the claims documentation generated by Maverick personnel. OIG Audit determined that the data was sufficiently reliable for the purposes of this assessment.

Testing Methodology

To determine the effectiveness of the implemented audit recommendations, OIG Audit:

- Examined, for each fee-for-service claim selected, the associated (a) Title XIX form, (b) prior authorization, (c) delivery ticket, and (d) delivery confirmation.

- Determined whether valid support existed for the selected fee-for-service claims.
- Reviewed Maverick’s controls intended to address the previously issued audit recommendations.

Criteria

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

- Texas Medicaid Provider Procedures Manual, Vol. 2, “Durable Medical Equipment, Medical Supplies, and Nutritional Products” (2017, as amended)
- Home Health Services (Title XIX) DME/Medical Supplies Physician Order Form (2017, as amended)
- Home Health Services (Title XIX) DME/Medical Supplies Physician Order Form Instructions (2016, as amended)

Auditing Standards

Generally Accepted Government Auditing Standards

OIG Audit conducted the original audit in accordance with generally accepted government auditing standards (GAGAS) and performed the work in accordance with the IT Standards, Guidelines, and Tools as well as the Techniques for Audit and Assurance and Control Professionals published by ISACA (formerly known as the Information Systems Audit and Control Association).

In accordance with GAGAS, providing audit, investigative, and oversight-related services—such as periodic audit recommendation follow-up engagements and reports—does not involve a GAGAS engagement. OIG Audit planned and performed this follow-up assessment to obtain sufficient, appropriate evidence to provide a reasonable basis for the findings and conclusions included in this report based on the assessment objectives.