



# MCO Provider Claims Appeals

## FirstCare Health Plans

### Results in Brief

#### Why OIG Conducted This Inspection

Texas Medicaid providers can dispute denied or underpaid claims through the appeal process. Managed Care Organizations (MCOs) must process and adjudicate appealed claims within 30 days of receipt of the provider's appeal. MCOs must respond to each provider's appeal and establish a tracking mechanism to document the status and final disposition of each appeal. MCOs are also required to submit monthly Claims Summary Reports (CSRs) to the Texas Health and Human Services Commission (HHSC) with the number and timeliness of appeals adjudicated.

A provider group voiced concerns during a 2021 legislative hearing that MCOs can discourage providers from filing appeals by routinely delaying or misplacing appeals. Without proper procedures for tracking, resolving, and reporting provider claim appeals, payments to providers may be delayed.

#### Summary of Review

The inspection objective was to determine whether FirstCare tracks, resolves, and reports provider claims appeals as required. The inspection scope covered the period from January 1, 2023, through January 31, 2024.

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#### Key Results

The Texas Health and Human Services Audit and Inspections Division (OIG Inspections) reviewed Claims Summary Reports (CSRs) FirstCare Health Plans (FirstCare) submitted to the Texas Health and Human Services Commission (HHSC) for November 2023, December 2023, and January 2024. These self-reported CSRs indicated that FirstCare completed at least 98 percent of provider claims appeals timely, as required. For the sampled appeals, FirstCare met the following requirements:

- Tracking appeals.
- Notifying providers of the appeal results.
- Providing reasons when denying appeals.
- Resolving all tested appeals within 30 days.

However, FirstCare's archived detailed reports contained discrepancies that raise questions about the reliability of the CSRs submitted to HHSC.

FirstCare's Operations Department uses reports from its data warehouse to submit monthly CSRs to HHSC. FirstCare's Claims Department, which processes provider claims appeals, then reviews the CSRs for accuracy prior to submission. Once the Operations Department submits the CSRs to HHSC, it archives the detailed reports from the data warehouse used to create the CSRs.

The initiation and resolution dates in the archived detailed reports did not always match supporting documentation and the appeal decision was not always populated. However, the turnaround time categories FirstCare reported to HHSC in the CSRs for the sampled appeals were correct. Due to the discrepancies identified between the archived detailed reports and the supporting information, OIG Inspections could not validate the accuracy of FirstCare's CSR submissions beyond the sampled appeals. Without accurate, unaltered records, the integrity of the CSR submission process may be compromised.