Clinical Laboratory Improvement Amendments (CLIA) Certification

Community Health Choice, FirstCare HealthPlans, Scott & White Health Plan, and Texas Children’s Health Plan

Results in Brief

Why OIG Conducted This Inspection
The Texas Health and Human Services (HHS) Office of Inspector (OIG) General Audit and Inspections Division (OIG Inspections) conducted an inspection of managed care organization (MCO) processes for ensuring laboratory service providers have the appropriate Clinical Laboratory Improvement Amendments (CLIA) certification prior to paying submitted claims.

OIG previously conducted work related to laboratories that incorrectly billed Medicaid and received payment for procedure codes not covered by the laboratory’s CLIA certificate. The payment of incorrect claims by MCOs indicated a systemic issue with the processing of claims for laboratory services.

Summary of Review
The inspection objective was to determine whether MCOs have controls to ensure payments made to laboratories are only for services covered under the laboratory’s CLIA certification level.

The inspection scope covered MCO processes and claims from January 1, 2021, through March 31, 2021, for the following MCOs: Community Health Choice Texas, Inc.; Scott & White Health Plan; SHA, LLC, doing business as FirstCare HealthPlans; and Texas Children’s Health Plan, Inc.

Key Results
The inspected MCOs had processes for obtaining a provider’s CLIA certificate at the time of credentialing and recredentialing in the MCO’s provider network. However, the MCOs did not have consistent processes for:

- Obtaining and maintaining current provider CLIA certificates
- Denying claims from laboratories with expired CLIA certificates
- Denying claims from providers that billed for procedures not covered by their CLIA certificate

Recommendations
The MCOs should:

- Ensure they obtain and maintain the current CLIA certificate for each laboratory in its provider network billing CLIA procedure codes.
- Use the information provided by HHSC to develop processes to ensure the lab certification codes listed on providers’ CLIA certificates correspond to procedure codes in their claims payer system.
- Ensure their claims payer system denies claims for procedure codes that do not correspond to the laboratory certificate codes listed on a provider’s CLIA certificate.

Management Response
The MCOs agreed with the inspection’s recommendations and indicated they are working with HHSC on implementation.

For more information, contact: OIGInspectionsReports@hhs.texas.gov