



**MYERS AND
STAUFFER** LC
CERTIFIED PUBLIC ACCOUNTANTS

*To the Texas Health and Human Services Commission Office of the Inspector General
Austin, Texas*

Myers and Stauffer LC (Myers and Stauffer) has completed the performance audit of R Medical Outreach and Associates, LLC to determine whether durable medical equipment and medical supply claims billed and paid under the state Medicaid program were in accordance with applicable state and federal Medicaid laws, regulations, rules, policies, and contractual requirements. The specific state and federal Medicaid laws, regulations, rules, policies, and contractual requirements to be tested were agreed to by Texas Health and Human Services Commission Office of the Inspector General (HHSC-OIG) in the approved audit test plan.

Our audit was performed under Myers and Stauffer's Master Contract #529-17-0117-00004, Work Order Contract #HHS000721400016, Purchase Order #HHSTX-3-0000306334 with HHSC. Our audit covered the period of March 1, 2018, through February 28, 2022.

We conducted this audit in accordance with the performance audit provisions of Generally Accepted Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to sufficiently obtain 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.

Management responses from R Medical Outreach and Associates, LLC are included in this report.

The purpose of this performance audit report is to clearly communicate the results of the audit to those charged with governance, R Medical Outreach and Associates, LLC management, and the appropriate oversight officials.

If we can be of any assistance to you or if you have any questions concerning this report, please contact us.

Sincerely,

Myers and Stauffer LC
July 31, 2023

The background features a blurred medical scene with a green overlay. A large white cross is centered over the image. Various medical icons are scattered throughout, including a syringe, a pill, a virus, a stethoscope, and a group of people. A white diagonal line runs from the bottom left towards the top right, separating the background from the text area.

Final (Audit) Report

R Medical Outreach
and Associates, LLC
NPI: 1083911291

Report Date
July 31, 2023





Background and Criteria

The Texas Health and Human Services Commission Office of the Inspector General (HHSC-OIG) contracted Myers and Stauffer LC (Myers and Stauffer) to conduct audits of Medicaid claims billed by providers and paid by the state Medicaid program. In coordination with the Texas HHSC-OIG, Myers and Stauffer has been engaged to perform a claims audit of R Medical Outreach and Associates, LLC (Provider). The audit focused on paid fee-for-service (FFS) durable medical equipment (DME) and medical supply claims having dates of service during the period of March 1, 2018, through February 28, 2022.

The Provider is a DME and medical supplies provider that operates at 11601 Pellicano Drive, Suite B3, El Paso, TX 79936. The National Plan and Provider Enumeration System (NPPES) National Provider Identifier (NPI) Registry indicates the Provider has been in business since November 5, 2010.

According to the Durable Medical Equipment, Medical Supplies, and Nutritional Products Handbook:

“Home health services include home health skilled nursing (SN), home health aide (HHA), physical therapy (PT) and occupational therapy (OT) services; DME; and expendable medical supplies that are provided to eligible Medicaid clients at their place of residence.

Texas Medicaid defines [DME] as medical equipment or appliances that are manufactured to withstand repeated use, ordered by a physician for use in the home, and required to correct or ameliorate a client’s disability, condition, or illness. Since there is no single authority, such as a federal agency, that confers the official status of “DME” on any device or product, HHSC retains the right to make such determinations with regard to Texas Medicaid DME benefits.

Requested DME may be a benefit when it meets the Medicaid definition of DME. The majority of DME and expendable supplies are covered home health services.

The benefit period for home health professional services is up to 60 days with a current plan of care (POC). For all DME and medical supplies with or without prior authorization requirements, providers must complete a Home Health Services (Title XIX) DME/Medical Supplies Physician Order Form...”

Audit Objective

The objective of the claims audit is to determine whether FFS DME and medical supply claims billed to, and paid under, the state Medicaid program were in accordance with applicable state and federal Medicaid laws, regulations, rules, policies, and contractual requirements. The specific state and federal Medicaid laws, regulations, rules, policies, and contractual requirements to be tested were agreed to by the HHSC-OIG in the approved audit test plan.



Sampling Overview

For the period of January 1, 2019, through December 31, 2021, the HHSC-OIG identified \$882,566 at risk of \$1,563,540 total DME and medical supply reimbursements for the Provider and provided all at risk FFS claims to Myers and Stauffer for review. Subsequently, the HHSC-OIG provided the final set of FFS claims data to be utilized for the audit covering the period of March 1, 2018, through February 28, 2022, for which the Provider was reimbursed \$2,052,909.

Upon review of the claims data the HHSC-OIG provided, the following Healthcare Common Procedure Coding System (HCPCS) codes present in the FFS data were targeted for audit.

- A4554 – Disposable underpads, all sizes.
- E0172 – Seat lift mechanism placed over or on top of toilet, any type.

A statistically valid random sample was selected from the claims universe provided by the HHSC-OIG consisting of the supplies described above. The claims universe includes 9,397 claim lines for 439 unique recipients for which the Provider was reimbursed \$630,320. The sample includes 60 claim lines for 60 unique recipients for which the Provider was reimbursed \$41,264.

Audit Process

Scope

The scope of this audit includes the review of Medicaid FFS DME and medical supply claims with dates of service during the period of March 1, 2018, through February 28, 2022.

Testing to determine medical necessity of supplies is outside the scope of the audit. However, documentation was reviewed in order to determine that procedures were properly documented with a licensed physician/practitioner order and, if applicable, in accordance with the prior authorization process.

In gaining an understanding of internal controls, Myers and Stauffer limited the review to the Provider's overall internal control structure significant to the audit objectives. Myers and Stauffer determined significant internal controls to the audit objective include:

- **Control Environment:** The foundation for an internal control system. It provides the discipline and structure to help an entity achieve its objectives.
- **Control Activities:** The actions management establishes through policies and procedures to achieve objectives and respond to risks in the internal control system, which includes the entity's information system.
- **Monitoring:** Activities management establishes and operates to assess the quality of performance over time and promptly resolve the findings of audits and other reviews.



Methodology

Myers and Stauffer conducted this performance audit in accordance with Generally Accepted Government Auditing Standards (GAGAS) and applicable Texas Administrative Code (TAC) rules, including 1 TAC §371.1719, as appropriate. Those standards require that the audit is planned and performed to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. Audit testing was performed to verify compliance in the following areas:

- Verify providers were enrolled and approved for participation in the Medicaid program.
- Verify DME or medical supply was prior authorized by the HHSC (if applicable).
- Verify DME or medical supply was prescribed by a licensed physician or allowed licensed practitioner.
- Verify recipient was seen by the physician authorizing the DME or medical supply within the past six or 12 months.
- Verify Home Health Services (Title XIX) DME/Medical Supplies Physician Order Forms and Addendum to Home Health Services (Title XIX) DME/Medical Supplies Physician Order Forms utilized for DME or medical supply were current.
- If applicable, verify DME providers have maintained all Home Health Services (Title XIX) DME/Medical Supplies Physician Order Forms and Addendum to Home Health Services (Title XIX) DME/Medical Supplies Physician Order Forms for the provided DME or supply.
 - Verify forms included:
 - Signature and date no more than 90 days prior to the date of the requested prior authorization or initiation of service.
 - Procedure codes.
 - Numerical quantities.
 - Verify equipment and/or appliances were delivered to individuals.
 - DME.
 - Verify delivery slips.
 - Verify corresponding invoices.
 - Verify DME Certification and Receipt Form was completed including signature and date.
 - Medical Supplies.
 - Verify delivery slip or corresponding invoice signed and dated by client or caregiver.



- If applicable, verify a dated carrier tracking document with shipping date and delivery date was printed from the carrier's website as confirmation that the supplies were shipped and delivered. The dated carrier tracking document must have been attached to the delivery slip or corresponding invoice.
- Verify DME or supply was provided to the individual in the individual's place of residence.
- Verify the provider completed the Texas Department of Health DME Certification and Receipt Form for any purchased DME to include:
 - The date that the client received the DME.
 - The name of the item.
 - The printed name of the client or primary caregiver.
 - The printed name of the provider.
 - The signature of the client or primary caregiver.
 - The signature of the provider.
- Verify correct reimbursement was received for the DME or supply provided by reviewing:
 - The provider's billed charges.
 - The published fee determined by the HHSC.
 - If manually priced, the manufacturer's suggested retail price and provider's documented invoice cost.
- Verify all required records to support DME or medical supply claims were properly maintained.
- Verify DME or medical supply was not billed for after recipient's date of death.

Inquiries, observations, inspection of documents and records review of other audit reports, and/or direct tests were performed to assess the design, implementation and/or operating effectiveness of controls determined significant to the audit objectives stated in the scope.

Audit Results

Myers and Stauffer believes the evidence obtained during the course of the claims audit provides a reasonable basis for the findings and conclusions based on the audit objective. The audit was not intended to discover all possible errors and any errors not identified within this report should not lead to a conclusion the practice is acceptable. Due to the limited nature of the review, no inferences should be drawn from this report with respect to the Provider's overall level of performance.



Findings

Myers and Stauffer identified findings on five of 60 DME claims. The table below provides a summary of the findings that have been identified in the audit for the claims universe. The findings for the claims universe are listed in detail in Appendix A. The list of findings and supporting policies follows in the table below:

List of Findings and Supporting Policies				
Finding No.	Finding Type	Finding Definition	Number of Claims with Finding	Supporting Policy*
1	Date Last Seen Outside Required Timeframe	The indicated "Date last seen by physician" on the submitted Title XIX Form was not within six months of the initiation of the service.	3	TMPPM 2019-2022 Vol. 2 §2.2.2.2 TMPPM 2019-2022 Vol. 2 §2.2.4
2	Incomplete Title XIX Form	The Title XIX Form did not document the complete justification for determination of medical necessity for the requested item(s).	1	TMPPM 2018-2022 Vol. 2 §2.2.1 TMPPM 2018-2019 Vol. 2 §2.2.3 Home Health Services (Title XIX) DME/Medical Supplies Physician Order Form Instructions (Effective: 04/01/2016)
3	Provider is Not Enrolled in Medicaid	The physician indicated on the Title XIX Form does not appear to have been enrolled with Texas Medicaid at the time of service.	1	TMPPM 2018-2022 Vol. 1 §1.1.4.1

* Any references to Volume 2 of the TMPPM refer to the Durable Medical Equipment, Medical Supplies, and Nutritional Products Handbook.

As demonstrated by the results of this audit, the Provider’s overall internal control system appears to be functioning well. However, to address the findings included in the table above, the Provider should continue to place additional emphasis on ensuring that the controls in place are designed to adequately review, document, and retain records to support that the billed services were provided in accordance with required regulations on a consistent basis.



Management's Response

A draft copy of this report was sent to the Provider on July 10, 2023. An exit conference was held on July 14, 2023 to discuss the preliminary findings. During the exit conference, the Provider did not contest the findings and stated they do not have any additional documentation to submit.

Final Determination of Overpayment

The Medicaid paid claims with identified findings are listed in detail in Appendix A of this report. The corresponding overpayment amount in Appendix A is only applicable to the sampled claims Myers and Stauffer reviewed during the audit. The overpayment calculated from our sample is \$194.06. The sample was not confirmed to be representative of the universe; therefore, it would not be appropriate to project the test results to the universe.

The total amount due to the HHSC-OIG is \$194.06 for the claims reviewed. Based on the findings cited in this Final Audit Report, the Provider is directed to:

- Remit the overpayment in the amount of \$194.06, pursuant to 1 TAC §371.1719, Recoupment of Overpayments Identified by Audit. Payment is to be made to the Texas HHSC-OIG.
- Comply with all state and federal Medicaid laws, regulations, rules, policies, and contractual requirements.



Appendix A – Detailed Findings

R Medical Outreach and Associates, LLC

Project Number 023

NPI 1083911291

Original Claims Information											Audit Determination				
Sample Line Number	State Issued Medicaid ID	Member Full Name	Claim Number	Claim Detail Number	Date of Service	Procedure Code	Procedure Description	Procedure Modifier 1	Billed Units	Paid Amount	Finding Type	Supporting Policy Reference	Date Last Seen by Physician (if applicable)	Corrected Claim Payment	Overpayment Amount
31						A4554	DISPOSABLE UNDERPADS	UE	120	\$37.20	PROVIDER IS NOT ENROLLED IN MEDICAID	E		\$0.00	\$37.20
38						A4554	DISPOSABLE UNDERPADS	UE	120	\$37.20	DATE LAST SEEN OUTSIDE REQUIRED TIMEFRAME	C, F		\$0.00	\$37.20
46						A4554	DISPOSABLE UNDERPADS	UE	120	\$37.20	DATE LAST SEEN OUTSIDE REQUIRED TIMEFRAME	C, F		\$0.00	\$37.20
47						A4554	DISPOSABLE UNDERPADS	UE	120	\$37.20	DATE LAST SEEN OUTSIDE REQUIRED TIMEFRAME	C, F		\$0.00	\$37.20
60						A4554	DISPOSABLE UNDERPADS	UE	120	\$45.26	INCOMPLETE TITLE XIX FORM	A, B, D		\$0.00	\$45.26
Totals										\$194.06				\$0.00	\$194.06



Legends

Finding Type	Policy Reference	Definition
DATE LAST SEEN OUTSIDE REQUIRED TIMEFRAME	C, F	The indicated "Date last seen by physician" on the submitted Title XIX Form was not within six months of the initiation of the service.
INCOMPLETE TITLE XIX FORM	A, B, D	The Title XIX Form did not document the complete justification for determination of medical necessity for the requested item(s).
PROVIDER IS NOT ENROLLED IN MEDICAID	E	The physician indicated on the Title XIX Form does not appear to have been enrolled with Texas Medicaid at the time of service.

Reference	Supporting Policy*	Policy
A	TMPPM 2018-2022 Vol. 2 §2.2.1	Durable medical equipment providers must retain all orders; copies of completed, signed, and dated Title XIX forms; delivery slips; and corresponding invoices for all supplies provided to a client. Durable medical equipment providers must disclose these records to HHSC or its designee on request. These records and claims must be retained for a minimum of five years from the date of service (DOS) or until audit questions, appeals, hearings, investigations, or court cases are resolved. Use of these services is subject to retrospective review.
B	TMPPM 2018-2019 Vol. 2 §2.2.3	The durable medical equipment provider must keep all completed copies of the Home Health Services (Title XIX) DME/Medical Supplies Physician Order Forms and Addendum to Home Health Services (Title XIX) DME/Medical Supplies Physician Order Forms on file. HHSC/TMHP reserves the right to request the signed and dated Home Health Services (Title XIX) DME/Medical Supplies Physician Order Form or Addendum to Home Health Services (Title XIX) DME/Medical Supplies Physician Order Form at any time.
C	TMPPM 2019-2022 Vol. 2 §2.2.2.2	The date last seen by the physician must be within the past six months unless a physician waiver is obtained.
D	Home Health Services (Title XIX) DME/Medical Supplies Physician Order Form Instructions (Effective Date: 4/1/2016)	The prescribing physician must indicate the corresponding item number requested from Section A, appropriate ICD-9/ICD-10 code with a brief description, and complete justification for determination of medical necessity for the requested item(s).
E	TMPPM 2018-2022 Vol. 1 §1.1.4.1	Individual providers who are not currently enrolled in Texas Medicaid and whose only relationship with Texas Medicaid is to order or refer for supplies or services for Texas Medicaid-eligible clients must enroll in Texas Medicaid as participating providers. This requirement is in accordance with provisions of the Affordable Care Act of 2010 (ACA), 42 CFR §455.410(b), which requires all fee-for-service (FFS) and managed care network ordering or referring physicians or other professionals who order or refer for supplies or services under the Medicaid State plan, or under a waiver of the plan, to enroll in Medicaid as participating providers.
F	TMPPM 2019-2022 Vol. 2 §2.2.4	The client must be seen by a physician no more than six months prior to the start of service.

* Any references to Volume 2 of the TMPPM refer to the Durable Medical Equipment, Medical Supplies, and Nutritional Products Handbook.