

Inspections Report

Managed Care Claims Submitted by Respiratory & Medical Homecare Unlimited

A Texas Medicaid Durable Medical
Equipment and Supplies Provider

October 31, 2023

OIG Report No. INS-24-003



**Inspector
General**

Texas Health
and Human Services



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

MANAGED CARE CLAIMS SUBMITTED BY RESPIRATORY & MEDICAL HOMECARE UNLIMITED

A Texas Medicaid Durable Medical Equipment and Supplies Provider

October 31, 2023

Dear Irene Koogler:

The Texas Health and Human Services (HHS) Office of Inspector General Audit and Inspections Division (OIG Inspections) conducted an inspection to determine whether Respiratory & Medical Homecare Unlimited, Inc. (RespMed) processed claims for wound care supplies in compliance with selected applicable requirements.

OIG Inspections compared prescriptions for wound care supplies and invoices for inventory replenishment to RespMed's proof of delivery documents. The inspection reviewed a random sample of 30 managed care claims and 30 inventory supply requisitions with dates of service from September 21, 2022, through January 6, 2023. RespMed's proof of delivery documents matched the prescribed item types and quantities for the claims tested. The inventory invoices showed that RespMed purchased items comparable to the items distributed to Medicaid clients. As a result, this inspection identified no issues or opportunities for improvement.

Background

RespMed is a durable medical equipment (DME) and supplies provider located in El Paso, Texas.

The attachment to this letter contains additional details on this inspection and is considered written education in accordance with Texas Administrative Code.¹

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

¹ 1 Tex. Admin. Code § 371.1701 (May 1, 2016).

Attachment

Section 1: Summary of Inspection Results

RespMed is a durable medical equipment (DME) and supplies² provider in El Paso, Texas. This inspection focused on wound care supplies provided to Medicaid clients.

Practitioners fax wound care supply orders to RespMed. A client is eligible for service after RespMed verifies Medicaid coverage and required medical documentation. Client orders are filled at RespMed's warehouse and are delivered to the client by a certified medical equipment service technician. The technician verifies the order with the client or designated representative. RespMed maintains the proof-of-delivery, signed by the client or their representative, to confirm the delivery of supplies.

RespMed's inventory is updated weekly based on client demands and the availability of supplies. RespMed orders inventory supplies from wholesale vendors and maintains the invoice, payment confirmation documents, and proof of delivery to confirm the receipt of supplies.

OIG Inspections selected Medicaid claims for wound care supplies from September 21, 2022, through January 6, 2023.

OIG Inspections selected a risk-based, non-statistical sample of 30 client records and 30 inventory invoices. OIG Inspection's testing consisted of reviewing:

- Practitioners' DME order forms.
- Proof of delivery confirmations signed by the client or designated representative.
- RespMed's claims to the clients' Medicaid managed care organization.
- Vendor invoices to RespMed.
- Proof of delivery confirmations by RespMed for inventory items.

OIG Inspections verified that the proof of deliveries from RespMed matched the items and quantities on the practitioners' order forms for all records. Additionally, the inventory replenishment orders showed that RespMed purchased items comparable to the items distributed to Medicaid clients. OIG Inspections did not identify any issues or opportunities for improvement.

² The term durable medical equipment (DME) encompasses both equipment and medical supplies that are continuously needed for a period of time.

Section 2: Objective, Scope, Methodology, Standards, and Criteria

Objective and Scope

The inspection objective was to determine whether RespMed processed claims for wound care supplies in compliance with selected applicable requirements.

The inspection scope covered the period from September 21, 2022, through January 6, 2023.

Methodology

To achieve its objective, OIG Inspections collected information through (a) interviews with RespMed's management and staff and (b) a review of:

- Encounter data from September 21, 2022, through January 6, 2023.
- RespMed's responses to a questionnaire.
- RespMed's policies and procedures.
- RespMed's complaint logs.
- Provider records including invoices, prescribing practitioner's orders, prior authorizations, delivery confirmation, and claim submission forms.

OIG Inspections selected a risk-based, non-statistical sample of 30 managed care client records and 30 inventory supply requisitions. Testing consisted of verifying practitioner order forms, proof of delivery documentation, product descriptions, quantities, cost, claims submitted to the managed care organization, and inventory replenishment invoices and payment confirmation documents.

Standards

OIG Inspections conducts inspections of Texas HHS programs, systems, and functions. Inspections are designed to be expeditious, targeted examinations into specific programmatic areas to identify systemic trends of fraud, waste, or abuse. Inspection reports present factual data accurately, fairly, and objectively, and present findings, conclusions, and recommendations in a persuasive manner to strengthen program effectiveness and efficiency. OIG Inspections conducted the inspection in accordance with *Quality Standards for Inspection and Evaluation* issued by the Council of the Inspectors General on Integrity and Efficiency.

Criteria

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

- Texas Medicaid Provider Procedures Manual, Vol. 1 (2022, as amended)
- Texas Medicaid Provider Procedures Manual, Vol. 2, "Durable Medical Equipment, Medical Supplies, and Nutritional Products Handbook" (2022, as amended)

Section 3: Related Reports

- Managed Care Claims Submitted by Medical Plus Supplies: A Texas Medicaid Durable Medical Equipment and Supplies Provider, [INS-24-002](#), October 10, 2023
- Managed Care Claims Submitted by Byram Healthcare Centers: A Texas Medicaid Durable Medical Equipment and Supplies Provider, [INS-24-001](#), October 6, 2023
- Informational Report: Texas Medicaid (Title XIX) Home Health Durable Medical Equipment and Supplies, [AUD-23-025](#), August 15, 2023
- Managed Care Organization Oversight of Durable Medical Equipment Providers: Blue Cross and Blue Shield of Texas, [AUD-23-005](#), March 23, 2023
- Managed Care Claims Submitted by Cook Children’s Home Health and Paid by Cook Children’s Health Plan: A Texas Medicaid Durable Medical Equipment and Supplies Provider, [AUD-22-002](#), September 30, 2021
- Fee-for-Service Claims Submitted by Maverick Medical Supply: A Texas Medicaid Durable Medical Equipment and Supplies Provider, [AUD-21-003](#), November 30, 2020
- Durable Medical Equipment Delivered to Deceased Beneficiaries: Nextra Health, [AUD-20-016](#), August 20, 2020
- Durable Medical Equipment Delivered to Deceased Medicaid Beneficiaries: All Star Medical Equipment and Supply, [AUD-20-015](#), August 14, 2020
- Fee-for-Service Claims Submitted by Aveanna Healthcare Medical Solutions: A Texas Medicaid Durable Medical Equipment and Supplies Provider, [AUD-20-014](#), July 30, 2020
- Fee-for-Service Claims Submitted by Longhorn Health Solutions: A Texas Medicaid Durable Medical Equipment and Supplies Provider, [AUD-19-015](#), May 9, 2019
- Audit of R Medical Outreach and Associates, LLC: A Texas Medicaid Durable Medical Equipment and Medical Supplies Provider, [AUD-18-013](#), April 27, 2018
- Audit of Gaddy Enterprises: A Durable Medical Equipment Provider, [AUD-18-009](#), December 20, 2017

Section 4: Report Team and Distribution

Report Team

OIG staff members who contributed to this inspection report include:

- Anton Dutchover, CPA, Deputy Inspector General of Audit and Inspections
- Bruce Andrews, CPA, CISA, Director of Inspections
- James Aldridge, CFE, Manager of Inspections
- Jeffrey Fullam, CFE, Lead Inspector
- Gabriella Berger, Inspector
- Mo Brantley, Senior Audit Operations Analyst

Report Distribution

Health and Human Services

- Cecile Erwin Young, Executive Commissioner
- Kate Hendrix, Chief of Staff
- Maurice McCreary, Jr., Chief Operating Officer
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- Karen Ray, Chief Counsel
- Michelle Alletto, Chief Program and Services Officer
- Nicole Guerrero, Director of Internal Audit
- Emily Zalkovsky, Chief Medicaid and CHIP Services Officer, Medicaid and CHIP Services
- Shannon Kelley, Deputy Executive Commissioner for Managed Care
- Dana L. Collins, Deputy Executive Commissioner for Operations, Medicaid and CHIP Services

Respiratory & Medical Homecare Unlimited

- Irene Koogler, Chief Executive Officer
- Dalia Morales, Chief Compliance Officer

Section 5: **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
- Kacy J. VerColen, Chief of Audit and Inspections
- Diane Salisbury, Chief of Data Reviews
- Susan Biles, Chief of Staff, Chief of Policy and Performance
- Erik Cary, Chief Counsel
- 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

- Email: oig.generalinquiries@hhs.texas.gov
- Mail: Texas Health and Human Services
Office of Inspector General
P.O. Box 85200
Austin, Texas 78708-5200
- Phone: 512-491-2000