



OFFICE OF INSPECTOR GENERAL
TEXAS HEALTH & HUMAN SERVICES COMMISSION

SYLVIA HERNANDEZ KAUFFMAN
PRINCIPAL DEPUTY INSPECTOR GENERAL

December 20, 2017

Ms. Amanda Bush
General Manager
Gaddy Enterprises, Inc.
300 Hurst St.
Center, Texas 75935-4211

Dear Ms. Bush:

The Texas Health and Human Services Commission (HHSC) Inspector General (IG) Audit Division conducted an audit of Gaddy Enterprises, Inc. The objective of the audit was to determine whether fee-for-service claims for Durable Medical Equipment (DME) incontinence supplies paid with Medicaid funds were billed in accordance with state laws, regulations, and program requirements. The scope of the audit included Medicaid paid claims for the period from September 1, 2015, through August 31, 2016, and a review of relevant activities, selected internal controls, and selected information technology controls through the end of fieldwork in September 2017.

The IG Audit Division tested (a) Title XIX DME/Medical Supplies Physician Order Forms for 45 clients to determine whether the forms were current and complete and (b) DME Certification and Receipt forms for 50 clients to evaluate the existence and support of paid claims for the audit period. Test results did not identify any exceptions to Texas Medicaid billing requirements. In addition, results of controls testing indicated that Gaddy Enterprises, Inc.'s claim processing system, Mediware, had appropriate controls in place to secure protected health information.

The IG Audit Division conducted this audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. The IG Audit Division believes that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Thank you for your cooperation during this audit.

A handwritten signature in cursive script that reads "Sylvia H. Kauffman".

Sylvia Hernandez Kauffman
Principal Deputy Inspector General