FINAL AUDIT REPORT

Therapy 2000, Inc.
Dallas, TX

TPI NUMBER: 144364004

AUDIT/CASE TRACKING NUMBER
2017-TXIG013-ST-09-07

DATE ISSUED
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I. AUDIT SUMMARY

On November 8, 2017, an on-site audit was initiated by Health Management Systems, Inc. (HMS), contracted by the Texas Health and Human Services Commission Office of Inspector General (OIG). The audit was for services provided to medical assistance recipients by:

Name:	Therapy 2000, Inc.
TPI Number:	144364004
Address:	2535 Lone Star Drive Dallas, TX 75212-6313

Thirty recipient records were reviewed for dates of service January 1, 2015 through March 31, 2017. HMS's staff audited speech therapy records to verify services provided to recipients, paid by the Texas Medical Assistance (Medicaid) Program. Detailed audit findings for individual claim lines are contained in the Appendices.

This report reflects only the findings of this audit and is not intended to discover all possible errors in billing or recordkeeping. Any omission of other errors from this report does not mean such practice is acceptable. Because of the limited nature of this audit, no inferences as to the overall level of provider performance should be drawn solely from this report.

II. AUDIT AUTHORITY & REFERENCES

The OIG is responsible for maintaining an ongoing program to audit providers participating in the State medical assistance programs.

This audit was carried out consistent with the *Texas Administrative Code* (TAC), *Title 1, Part 15, Chapter 371, et seq.*; and *Generally Accepted Governmental Auditing Standards*, as issued by the United States Government Accountability Office.[1]

Refer to Appendix B for the State Regulations and Policy Provider Manual provisions which were used to support the audit. The regulations and guidelines used were in effect at the time the service was provided. These include:

- *Government Auditing Standards* (GAS)
- *Code of Federal Regulations* (CFR)
- *Texas Administrative Code* (TAC)

[1] 1 Tex. Admin. Code § 371.1719(b)(1)(A) (effective May 1, 2016).

- *Texas Medicaid Provider Procedures Manual* (TMPPM)
- Applicable coding references (CPT, HCPCS, ICD-9-CM, ICD-10-CM)

III. AUDIT PROCESS

This provider audit was conducted in the following manner:

Case Selection

For the audit of speech therapy claims, a universe of paid claims with service dates ranging from January 1, 2015 through March 31, 2017 was developed. Only claims with a paid amount greater than zero were included in this universe. The universe included 1,526 recipients with a total Medicaid payment of $14,368,567.52. From this universe, a total of 30 randomly selected recipients totaling $347,781.93 were selected for review.

Claims previously identified as overpayments in prior audits or through post payment reviews performed by the Payment Review Program are removed from the audit universe. This prevents the same claim from being recovered twice.

Documentation Reviewed

Documentation to support services reimbursed by Medicaid was obtained on-site at the Provider's facility on November 27, 2017. No original records were removed from the Provider's premises.

An Exit Conference was held with the Provider on March 1, 2018 to review the Draft Audit Report. In response to the Draft Audit Report, the Provider submitted additional documentation to support the claims under review on March 13, 2018.

The documents were analyzed to identify any billing irregularities or deviations from program rules, regulations, and the Medicaid Provider Agreement. The results are contained in Sections IV and V of this report.

Statistical Sampling

A sample was drawn from the universe of claims paid by Medicaid program. The sample was produced using the RAT-STATS 2010-v4 random number generator. Overpayments, if any, are determined for the claims within the probability sample. These overpayments are then extrapolated to the audit universe to determine an overpayment amount. The extrapolation detail file contains the (a) population of claims, (b) sample frame, including sample size determination, (c) seed value for random number generation, (d) extrapolation validation, and (e) results printout from the RAT-STATS software.

The audit population consisted of 1,526 recipients. The probability sample consisted of 30 randomly selected recipients totaling $347,781.93. All claims were itemized on the Medical Assistance Remittance Advices to the Provider. Overpayments identified in the probability sample will be extrapolated to the audit universe in accordance with *TAC, Title 1, Part 15, Chapter 371, Subchapter B, Rule 371.35 Use of Statistical Sampling and Extrapolation (effective 05/01/2016).* See Appendix C Sampling Plan for more information.

In some instances, more than one audit finding relates to an individual service provided. This is referred to as "overlap" of findings. When more than one finding requires repayment on an individual service, the amount asserted for recoupment is limited to the amount paid by Medicaid.

IV. FINDINGS

Of the 2,577 claim lines reviewed, there were 12 claim lines with recoupable monetary findings. See Appendix A for the Audit Finding Index.

Finding 1: Insufficient Documentation (ID)

There was one instance of the medical record containing insufficient documentation to support the service rendered, billed and paid.

Example: Sample SN-1455-C-171-D – The documentation does not support that the session for speech therapy (ST) (CPT code 92507) met the required criteria for a ST session in the ST clinic note dated 09/28/2016. This note indicated the visit was for re-evaluation testing that was conducted but not completed. The session did not address any specific goals/objectives for the treatment plan in effect for the date of service (DOS). CPT code 92507 is described as treatment of speech, language, voice, communication, and/or auditory processing disorder; individual. Per TMPPM 1.6.10, the medical record must document the specific elements necessary to satisfy the criteria for the level of service as described in CPT. Reimbursement may be recouped when the medical record does not document that the level of service provided accurately matches the level of service claimed. The note stated that testing was to be continued on a later date. A re-evaluation was completed on 10/03/2016 and billed correctly as the re-evaluation CPT code of S9152 on that date.

Rebuttal medical record review: The documentation submitted by the Provider does not support that the DOS billed met the criteria of a CPT code 92507 ST session. The provider stated, "Speech therapy evaluation are very time consuming and often have to span several sessions due to fatigue or attention span". There is no mention of fatigue or attention span that required the child to have more than one session to complete a re-evaluation. Each individual session for ST services must include the specific therapy performed and the

client's response. Additionally, the provider sent a "late entry" progress note generated on 2/27/2018, which was 18 months after the DOS and after notification of the audit results. Documentation to support the claim billed must be done at the time the service was provided. The claim line remains discrepant.

Basis for Finding:

TAC, Title 1, Part 15, Chapter 354, Subchapter A, Division 1, Rule 354.1001 Claim Information Requirements (effective 01/01/2015) provides, "(a) Eligible providers are required to provide separate claim information for each eligible recipient. Claims must be complete, accurate, and as specified by the Texas Health and Human Services Commission (HHSC) or its designee.
(b) Required information included the following:
(1) name, address, and appropriate Texas provider identification number of the provider of services or supplies or both;
(2) the date of the claim;
(3) the name, address, identification number, and date of birth of the individual who received services or supplies or both;
(4) the type of such services or supplies or both provided;
(5) the date(s) each service or supplies or both were provided;
(6) the amounts of each charge for various types of services or supplies or both;
(7) the total charge for service or supplies or both;
(8) credits for any payments made at the time of submission, including payments by private health insurance or Medicare;
(9) indication that the eligible recipient has health, accident, or other insurance policies, or is covered by private or governmental benefit systems, or other third party liability, when reported, known or suspected;
(10) the date of the eligible recipient's death, if applicable; and
(11) the name and associated national provider identifier of:
(A) the eligible billing provider;
(B) the ordering or referring provider or other professional, if services or supplies, or both, are ordered or referred; and …"

TMPPM, Children's Services Handbook, 2.12.2.3 Prior Authorization and Documentation Requirements (August 2014) provides, "… All documentation that is related to the therapy services that are prior authorized and provided, including medical necessity and the comprehensive treatment plan, must be maintained in the client's medical record and made available upon request. For each therapy discipline provided, the documentation maintained in the client's medical record must identify the therapy provider's name and include all of the following:

- Date of service
- Start time of therapy
- Stop time of therapy
- Total minutes of therapy
- Specific therapy performed
- Client's response to therapy …"

TMPPM, Children's Services Handbook, 2.14.3.3 Prior Authorization and Documentation Requirements Services (July 2015 and March 2016) provides, "… All documentation that is related to the therapy services that are prior authorized and provided, including medical necessity and the comprehensive treatment plan, must be maintained in the client's medical record and made available upon request. For each therapy discipline that is provided, the documentation maintained in the client's medical record must identify the therapy provider's name and include all of the following:

- Date of service
- Start time of therapy
- Stop time of therapy
- Total minutes of therapy
- Specific therapy performed
- Client's response to therapy …"

TMPPM, 1.6.10 General Medical Record Documentation Requirements (effective August 2014, July 2015, March 2016, and February 2017) provides, "… Correct use of CPT coding requires using the most specific procedure code that matches the services provided based on the procedure code's description. Providers must pay special attention to the standard CPT descriptions for the evaluation and management services. The medical record must document the specific elements necessary to satisfy the criteria for the level of service as described in CPT. Reimbursement may be recouped when the medical record does not document that the level of service provided accurately matches the level of service claimed. …"

Summary: Valid documentation is required to support claims submitted for reimbursement. As a result, the paid amounts of the associated claims are recoupable.

Finding 2: <u>Non-Covered Service (NCS)</u>

There were 10 instances of a service being billed and paid that are not a covered service reimbursed by Medicaid.

Example: Sample SN-1328-C-129-A – The ST clinic note indicated the recipient was seen at Apples for the Teacher. This was not located at home of the client, caregiver, daycare facility, or school. Per TMPPM, Children's Services Handbook 2.14, OT, PT, and ST may be performed in the office or home setting and may be authorized to be provided in the following locations: home of the client, home of the caregiver or guardian, client's daycare facility, or the client's school.

<u>Rebuttal medical record review:</u> The TMPPM handbook (OT, PT, ST effective 03/2018) referenced by the Provider that indicated that services may be provided in "other" locations was not in effect during the DOS under review.

The update to the Handbook to include Home Health Agencies in the "other" place of service category became effective September 1, 2017, which was after the DOS under review. The TMPPM handbook specific to OT, PT and ST was initiated in June 2016 and only included ECI and SHARS as provider types in the "other" place of service locations and refers to the TMPPM Children's Services Handbook for CCP. Prior to June 2016, ST services were addressed in the Children's Services Handbook. The handbook in effect during the DOS under review do not include a "other" place of service outside of the home of the client, home of the caregiver or guardian, client's daycare facility, or the client's school as an approved location. The claim lines remain discrepant.

Basis for Findings:

TMPPM, Children's Services Handbook, 2.12 Therapy Services (CCP) (effective August 2014) provides, "… Therapy is provided in one of the following places of service:

- CORF and ORF
- Inpatient rehabilitation facility (freestanding)
- Home
- Licensed hospital
- Medicaid-enrolled private therapist office
- Physician office

… ST may be performed in the office or home setting and may be authorized to be provided in the following locations: home of the client, home of the caregiver or guardian, client's daycare facility, or the client's school.
Services provided to a client on school premises are only premises are only permitted when delivered before or after school hours. The only CCP therapy services that can be delivered in the client's school during regular school hours are those delivered by school districts as SHARS in POS 9. …"

TMPPM, Children's Services Handbook, 2.14 Therapy Services (CCP) (effective July 2015 and March 2016) provides, "… Therapy is provided in one of the following places of service:

- CORF and ORF
- Inpatient rehabilitation facility (freestanding)
- Home
- Licensed hospital
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… ST may be performed in the office or home setting and may be authorized to be provided in the following locations: home of the client, home of the caregiver or guardian, client's daycare facility, or the client's school.
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services that can be delivered in the client's school during regular school hours are those delivered by school districts as SHARS in POS 9. …"

Summary: Valid documentation is required to support claims submitted for reimbursement. As a result, the paid amounts of the associated claims are recoupable.

Finding 3: Non-Eligible Provider (NEP)

There was one instance of services being rendered by a non-eligible provider.

Example: Sample SN-1182-C-030-A – There was no documentation of supervision of the SLP assistant on 05/12/2015. Per TMPPM, Children's Services Handbook 2.14, therapy may be performed by a licensed occupational therapist, physical therapist, speech therapist, or one of the following under the supervision of a licensed therapist: licensed therapy assistant or licensed speech-language pathology intern. There was no documentation that ST service was delivered before or after school hours. The ST clinic note indicated the recipient was seen at her private Catholic school from 9:30-10:00 a.m. Per TMPPM Children's Services Handbook 2.12, OT, PT, and ST may be performed in the office or home setting and may be authorized to be provided in the following locations: home of the client, home of the caregiver or guardian, client's daycare facility, or the client's school. Services provided to a client on school premises are only permitted when delivered before or after school hours.

> *Rebuttal medical record review:* The additional documentation submitted shows that the SLP assistant observed the SLP during the re-evaluation conducted on 05/13/2015. There was no documentation of supervision of the SLP assistant for the therapy session provided by the assistant on the DOS under review for 05/12/2015. The secondary finding of NCS was removed. The claim line remains discrepant.

Basis for Finding:

TMPPM, Children's Services Handbook, 2.12 Therapy Services (CCP) (effective August 2014) provides, "…Therapy may be performed by a licensed occupational therapist, physical therapist, speech therapist, or one of the following under the supervision of a licensed therapist: licensed therapy assistant or licensed speech-language pathology intern.
Services performed by an … SLP aide, SLP orderly, SLP student, or SLP student, or SLP technician are not a benefit of Texas Medicaid. …"

TMPPM, Children's Services Handbook, 2.14 Therapy Services (CCP) (effective July 2015 and March 2016) provides, "…Therapy may be performed by a licensed occupational therapist, physical therapist, speech therapist, or one of the following

under the supervision of a licensed therapist: licensed therapy assistant or licensed speech-language pathology intern.
Services performed by an … SLP aide, SLP orderly, SLP student, or SLP student, or SLP technician are not a benefit of Texas Medicaid. …"

Summary: Valid documentation is required to support claims submitted for reimbursement. As a result, the paid amounts of the associated claims are recoupable.

V. SUMMARY OF OVERPAYMENTS

The identified overpayments for the discrepant sampled claims totaled $1,621.68. See Appendix A for detailed information. When extrapolated to the universe of claims from which the sample was selected, the calculated overpayment at the lower limit of 80% confidence interval is $6,869.00. See Appendix D for the extrapolation summary.

The total amount due to the Texas Health and Human Services Commission is $6,869.00.

NOTE: Actions resulting from this report and its directives do not take into consideration any subsequent program recoveries, Provider repayments, or Medicaid and Medical Assistance reimbursements, which relate to the period covered by this report.