



## **FINAL AUDIT REPORT**

Travis Medical Sales Corp.  
Austin, TX

**TPI Number:** 016016006

**AUDIT/CASE TRACKING NUMBER**  
2017-TXIG017-DME-11-08

**DATE ISSUED**  
July 10, 2018

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## **I. AUDIT SUMMARY**

On December 4, 2017, an on-site audit was initiated by Health Management Systems, Inc. (HMS), contracted by the Texas Health and Human Services Commission – Inspector General (IG). The audit was for services provided to medical assistance recipients by:

Name: Travis Medical Sales Corp.  
TPI Number: 016016006  
Address: 3201 Industrial Terrace, Suite 130  
Austin, TX 78758-7525

Thirty recipient records were reviewed for dates of service January 1, 2015 through March 31, 2017. HMS's staff audited durable medical equipment (DME) 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 IG 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.<sup>1</sup>

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)*

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<sup>1</sup> 1 Tex. Admin. Code § 371.1719(b)(1)(A) (effective May 1, 2016).

- *Texas Administrative Code (TAC)*
- *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 DME claims, a universe of paid claims with service dates ranging from January 1, 2015 through March 31, 2017 was developed. The universe included 589 recipients with a total Medicaid payment of \$1,761,869.87. From this universe, a total of 30 randomly selected recipients totaling \$150,273.50 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 December 18, 2017. No original records were removed from the Provider's premises.

An Exit Conference was held with the Provider on May 3, 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 May 10, 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 V and VI 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, and (d) results printout from the RAT-STATS software.

The audit population consisted of 589 recipients. The probability sample consisted of 30 randomly selected recipients totaling \$150,273.50. All claims were itemized on Medicaid remittance advices to the Provider. 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 the Medicaid.

#### **IV. FINDINGS**

Out of one hundred seventy four claim lines reviewed, there were four claim lines with recoupable monetary findings. See Appendix A for the Audit Finding Index.

##### **Finding 1: Billed Prior to Delivery (BPD)**

There were four instances of the Provider submitting a claim to Medicaid prior to the supplies being shipped or delivered to the recipient.

**Example:** Sample SN-278-C-001-A – The carrier's delivery confirmation shows the product was shipped on 01/12/2016. The claim was billed on 01/11/2016. Per TMPPM DME 2.2.3 Medical Supplies, (effective March 2016), the date of service (DOS) is the date on which supplies are delivered to the client or shipped by a carrier to the client as evidenced by the dated tracking document attached to the invoice for that date. The Provider must maintain the signed and dated records supporting documentation that an item was not billed before delivery.

*Rebuttal medical record review:* The rebuttal response from the Provider stated, "Educated staff on proper billing procedure." No additional documentation to dispute the finding was submitted. The sample remains discrepant.

Basis for Finding:

*TMPPM, Volume 2, Durable Medical Equipment, Medical Supplies and Nutritional Products Handbook, 2.2.3 Medical Supplies (effective August 2014, July 2015, March 2016, and February 2017) provides, "... The DOS is the date on which supplies are delivered to the client or shipped by a carrier to the client as evidenced by the dated tracking document attached to the invoice for that date. The provider must maintain the signed and dated records supporting documentation that an item was not billed before delivery. There records are subject to retrospective review. ..."*

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 \$1,953.96. See Appendix A for detailed information. The total amount due to the Texas Health and Human Services Commission is \$1,953.96.

**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.