

Inspections Report

Managed Care Claims Submitted by Medical Plus Supplies

A Texas Medicaid Durable Medical
Equipment and Supplies Provider

October 10, 2023

OIG Report No. INS-24-002



**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 MEDICAL PLUS SUPPLIES

A Texas Medicaid Durable Medical Equipment and Supplies Provider

October 10, 2023

Dear Anita Reddick:

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

OIG Inspections compared practitioner orders prescribing wound care supplies to Medical Plus Supplies' vendor invoices and proof of delivery documents. The inspection reviewed a random sample of 45 claims from three Medical Plus Supplies locations with dates of service from September 21, 2022, through January 6, 2023. Medical Plus Supplies' invoices and proof of delivery documents matched the prescribed item types and quantities for the claims tested. As a result, this inspection identified no issues or opportunities for improvement.

Background

Medical Plus Supplies is a durable medical equipment (DME) and supplies provider with locations in Austin, Beaumont, Conroe, Dallas, Houston, and San Antonio.

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).

Section 1: Summary of Inspection Results

Medical Plus Supplies is a durable medical equipment (DME) and supplies² provider with locations in Austin, Beaumont, Conroe, Dallas, Houston, and San Antonio. This inspection focused on wound care supplies provided to Medicaid clients.

Medical Plus Supplies uses contracted distributors to ship disposable medical supplies directly to Medicaid clients. Medical Plus Supplies maintains invoices and proof of delivery documents to confirm the delivery of supplies.

OIG Inspections selected Medicaid claims for wound care supplies from September 21, 2022, through January 6, 2023. Additionally, the inspection team administered questionnaires, conducted interviews, and tested records from Medical Plus Supplies' Austin, Conroe, and Dallas locations.

OIG Inspections selected a risk-based, non-statistical sample of 15 client records from each location: Austin, Conroe, and Dallas. OIG Inspection's testing consisted of reviewing:

- Practitioners' DME order forms.
- Medical Plus Supplies' orders to vendors.
- Vendor invoices to Medical Plus Supplies.
- Proof of delivery confirmations.
- Medical Plus Supplies' claims submitted to the clients' Medicaid managed care organization.

OIG Inspections verified that the invoices and proof of deliveries from Medical Plus Supplies matched the items and quantities on the practitioner's order forms for all records tested at the three locations. 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 Medical Plus Supplies 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 reviewed vendor invoices and payment receipts from Medical Plus Supplies. OIG Inspections also collected information through (a) interviews with Medical Plus Supplies management and staff and (b) a review of:

- Encounter data from September 21, 2022, through January 6, 2023.
- Medical Plus Supplies' responses to a questionnaire.
- Medical Plus Supplies' policies and procedures.
- Medical Plus Supplies' 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 15 client records from each of three locations: Austin, Conroe, and Dallas. Testing consisted of verifying practitioner's order forms, invoices between the vendors and Medical Plus Supplies, product descriptions and HCPCS codes, quantities of supplies ordered, costs, and Medical Plus Supplies' claims submitted to the managed care organizations.

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 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 (DME) 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 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 Durable Medical Equipment 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

Medical Supplies Plus

- Anita Reddick, President and Acting Chief Executive Officer
- Christine Chappell, Vice President and 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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- Online: <https://oig.hhs.texas.gov/report-fraud-waste-or-abuse>
- Phone: 1-800-436-6184

To Contact OIG

- Email: oig.generalinquiries@hhs.texas.gov
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