

Informational Report

**Texas Medicaid (Title XIX)
Home Health
Durable Medical Equipment
and Supplies**

Informational Report



**Inspector
General**

Texas Health
and Human Services

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Texas Medicaid (Title XIX) Home Health Durable Medical Equipment and Supplies Informational Report

Results in Brief

Why OIG Compiled This Report

Texas Medicaid and the Children’s Health Insurance Program (CHIP) cover durable medical equipment (DME), expendable medical supplies provided to eligible recipients at their place of residence, and certain nutritional products. Patients use DME and supplies at home or in their daily routines outside of a health care setting. This is of interest to oversight agencies because of the nature of DME and supplies being delivered to patients for home use.

This Informational Report

This informational report is not an audit report under generally accepted government auditing standards. The report includes OIG Audit’s compilation and analysis of non-audited information obtained from multiple sources and observations drawn from analysis of non-audited information obtained from financial statistical reports submitted to the Texas Health and Human Services Commission (HHSC) and from the Texas Medicaid and Healthcare Partnership (TMHP) claim and encounter database. This is for information only and should not be considered guidance.

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Information Included in this Report

This informational report provides:

- An overview of how Texas Medicaid and CHIP patients can access DME and supplies.
- Texas Medicaid and CHIP requirements for DME and supplies providers.
- Research and analysis of DME and supplies completed by the Texas Health and Human Services (HHS) Office of Inspector General (OIG) Audit and Inspections Division (OIG Audit).
- A discussion of the different types of DME and supplies.

Analysis includes breakdowns of 2022 claims by program, service area, provider, and category, as shown in the figure.

DME Categories as Percentages of 2022 DME Claims Dollars

DME Category	% of Claims Dollars	Dollars Paid (\$ millions)
Incontinence supplies	23%	\$145.9
Nutritional (enteral) products, supplies, and equipment	23%	\$145.5
Respiratory equipment and supplies	14%	\$84.3
Injectable medicines and services	10%	\$61.2
Mobility aids	7%	\$42.0
Diabetic equipment and supplies	6%	\$39.6
22 other categories each less than 5%	17%	\$105.7

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Overview

Introduction

Texas Medicaid and the Children’s Health Insurance Program (CHIP) cover durable medical equipment (DME), expendable medical supplies provided to eligible recipients at their place of residence, and certain nutritional products. Figure 1 is a list of common items in this category. Appendix A provides details about each subcategory.

Figure 1: DME and Supplies

	<p style="text-align: center;">Medical supplies</p> <ul style="list-style-type: none"> Augmentative communication device systems Bath and bathroom equipment Blood pressure devices Bone growth stimulators Cochlear implants Continuous passive motion devices Diabetic equipment and supplies Hospital beds and equipment Incontinence supplies Intravenous therapy equipment and supplies Mobility aids Nutritional (enteral) products, supplies, and equipment Orthotic services Prosthetic services Prothrombin time/international normalized ratio home testing monitors Respiratory equipment and supplies Special needs car seats and travel restraints Subcutaneous injection ports Total parenteral nutrition solutions Vitamin and mineral products Wound care supplies or systems 	
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Source: OIG Audit and Inspections Division

Patients use DME and supplies at home or in their daily routines outside of a health care setting. This is of interest to oversight agencies because of the nature of DME and supplies being delivered to patients for home use. For instance, (a) suppliers could ship more supplies than are needed for months before being prompted to reevaluate quantities¹ or (b) providers could send patients equipment they do not need² or lower-cost equipment than is billed to Medicaid.

This informational report provides:

- An overview of how Texas Medicaid and CHIP patients can access DME and supplies.
- Texas Medicaid and CHIP requirements for DME and supplies providers.
- Additional detail about the research and analysis of DME and supplies completed by the Texas Health and Human Services (HHS) Office of Inspector General (OIG) Audit and Inspections Division (OIG Audit).
- A discussion of the different types of DME and supplies.

Unless otherwise described, any year referenced is the state fiscal year, which covers the period from September 1 through August 31.

This Informational Report

This informational report is not an audit report under generally accepted government auditing standards. The report includes OIG Audit’s compilation and analysis of non-audited information obtained from multiple sources and observations drawn from analysis of non-audited information obtained from financial statistical reports submitted to the Texas Health and Human Services Commission (HHSC) and from the Texas Medicaid and Healthcare Partnership (TMHP) claim and encounter database. It is intended to provide information only and should not be considered guidance.

¹ Texas HHS OIG Audit Division, “Durable Medical Equipment Delivered to Deceased Beneficiaries: Longhorn Health Solutions” (Aug. 25, 2020), <https://oig.hhs.texas.gov/sites/default/files/documents/longhorn-dme-final-8-25-20.pdf> (accessed July 3, 2023).

² CNBC, “Inside the mind of criminals: How to brazenly steal \$100 billion from Medicare and Medicaid” (Mar. 9, 2023), <https://www.cnbc.com/2023/03/09/how-medicare-and-medicaid-fraud-became-a-100b-problem-for-the-us.html> (accessed July 3, 2023).

Durable Medical Equipment and Supplies

Chapter 1: Provision of DME and Supplies in Texas Medicaid and CHIP

HHSC reimburses Texas Medicaid and CHIP providers for DME and supplies that are properly authorized and delivered to qualified individuals. Texas Administrative Code requires that services or items furnished to a Texas Medicaid or CHIP recipient be medically necessary and not substantially exceed the beneficiary's needs.³

How DME is Provided in Texas Medicaid and CHIP

Texas Medicaid and CHIP clients are served through a traditional fee-for-service model or a managed care model.

Fee-for-Service

Under the fee-for-service model, health care providers are paid through TMHP for each acute care service or product they provide.

The Texas Medicaid Provider Procedures Manual (TMPPM) Durable Medical Equipment, Medical Supplies, and Nutritional Product Handbook provides information about the Texas Medicaid benefits, policies, and procedures that are applicable to DME suppliers and medical supply company providers. It contains information about Texas Medicaid fee-for-service benefits, services, limitations, prior authorization, claims filing, and reimbursement for fee-for-service DME claims. DME providers must follow the TMPPM to be reimbursed for fee-for-service claims.

Texas Medicaid and Healthcare Partnership (TMHP)

TMHP is a group of contractors under the leadership of Accenture. Accenture administers Texas Medicaid and other state health care programs on behalf of HHSC. TMHP processes claims for Texas Medicaid services provided in the traditional, fee-for-service system.

³ 1 Tex. Admin. Code § 371.1659(3) (May 1, 2016).

Figure 2 illustrates the fee-for-service reimbursement model.

Figure 2: Texas Medicaid Fee-For-Service Reimbursement Model



Source: OIG Audit

Managed Care

Managed care organizations (MCOs) contract with Texas providers for the delivery of health care services to Texas Medicaid and CHIP enrollees. The MCOs contract directly with doctors and other health care providers to create provider networks their members can use. The MCOs must provide all covered medically necessary services to their members, including DME. Under the managed care model, MCOs receive a capitation payment for each member enrolled, based on historical expenses by populations served. Capitation payments are monthly prospective payments HHSC makes to MCOs for the provision of covered services. HHSC makes capitation payments to MCOs at fixed, per member per month rates based on members' associated risk groups.

Providers delivering DME and supplies through managed care must comply with the guidelines set by each MCO. Administrative procedures, such as prior authorization, precertification, referrals, and claims or encounter data filing may differ from traditional Texas Medicaid (fee-for-service) and from MCO to MCO. Medical services include all those administered by TMHP for fee-for-service clients as well as any value-added services covered by the individual MCOs.

Figure 3 illustrates the managed care model.

Figure 3: Texas Medicaid and CHIP Managed Care Reimbursement Model



Source: OIG Audit

Carve-Out Services

Some services are “carved out” of one or more of the managed care programs. Carved out services are those rendered to Medicaid managed care clients but processed for payment consideration by TMHP rather than an MCO. HHSC administers managed care carve-out services as fee-for-service benefits.

Comprehensive Care Program

The majority of DME and expendable supplies are covered home health services. If a service cannot be provided for a client who is 20 years of age or younger through home health services, these services may be covered through the Comprehensive Care Program. The Comprehensive Care Program is a package of Texas Medicaid services available to individuals based on medical necessity that goes beyond regular Texas Medicaid services for all ages and is part of the Texas Health Steps benefit for individuals under age 21.

Title XIX Forms

TMPPM requires a fee-for-service DME and supplies provider to retain a copy of the completed Home Health Services (Title XIX) DME/Medical Supplies Physician Order Form (Title XIX form) to support Texas Medicaid claims.⁵ A completed Title XIX form must (a) include the procedure codes and numerical quantities for services requested, (b) be signed and dated by the ordering physician,⁶ and (c) have all fields filled out completely, including the date last seen by a physician and the most appropriate procedure code description using Healthcare Common Procedure Coding System (HCPCS) codes.^{7,8}

Title XIX (Medicaid)⁴

Title XIX of the Social Security Act, Medicaid, is an entitlement program jointly funded by federal and state governments that pays for medical assistance for certain individuals and families with low incomes and resources. Although the Federal government establishes certain parameters for all states to follow, each state administers its Medicaid program differently, resulting in variations in Medicaid coverage across the country.

HHSC does not require MCOs to use Title XIX forms to support DME claims, but MCOs must be able to substantiate medical necessity and demonstrate compliance with federal, state, and MCO regulations, rules, and policies.⁹

⁴ Centers for Medicare & Medicaid Services, "Brief Summaries of Medicare & Medicaid: Title XVIII & Title XIX of the Social Security Act," (Nov. 1, 2009), <https://www.cms.gov/research-statistics-data-and-systems/statistics-trends-and-reports/medicareprogramratesstats/downloads/medicaremedicaidsummaries2009.pdf> (accessed July 3, 2023).

⁵ Texas Medicaid Provider Procedures Manual, Vol. 2, "Durable Medical Equipment, Medical Supplies, and Nutritional Products" § 2.2.1 (July 2023).

⁶ Texas Medicaid Provider Procedures Manual, Vol 2, "Durable Medical Equipment, Medical Supplies, and Nutritional Products" § 2.2.2.2 (July 2023).

⁷ Home Health Services (Title XIX) DME/Medical Supplies Prescribing Provider Order Form Instructions (July 1, 2023).

⁸ The Healthcare Common Procedure Coding System (HCPCS) is produced by the Centers for Medicare and Medicaid Services. HCPCS is a collection of standardized codes that represent medical procedures, supplies, products, and services.

⁹ Letter from the Texas HHS State Medicaid Director to the Texas Medical Association, the Texas Association of Health Plans, the Texas Hospital Association, the Texas Association of Community Health Plans, and the Texas Pediatric Society (Apr. 5, 2019).

The DME authorization period begins when the practitioner signs and dates a form, and it extends until the earlier of (a) the date of the supply, in the case of a one-time supply, (b) the end of the duration of need period, or (c) six months from the date of the physician's signature.¹⁰

If a beneficiary's duration of need exceeds six months, a practitioner must renew the authorization with an order form after the previous one has expired. Either the physician or the DME and supplies provider may initiate obtaining a new order. Authorization for a DME or supply order is renewed when an order is (a) completed, signed, and dated by the physician and (b) certified by the DME and supplies provider.

Prior Authorization

DME supplies for chronic and stable conditions, including incontinence supplies, do not require prior authorization unless the order exceeds the maximum quantity allowed.

Most DME and supplies exceeding certain monthly maximum quantities require prior authorization. Fee-for-service providers submit Title XIX forms to TMHP with the prior authorization request. MCO providers must request prior authorization from the MCO. If necessary, DME and supplies may be prior authorized for up to six months with a determination of medical necessity. Because Texas Medicaid clients have a one-month eligibility period, providers must bill for only one one-month supply at a time, even though prior authorization may be granted for up to six months. This extended prior authorization period begins on the date that clients receive their first prior-authorized home health service.

The prior authorization request lists the authorized HCPCS codes, the authorized quantities, and the authorization expiration date. The provider should maintain approved prior authorizations and present them to HHSC upon request.

For certain deliverables, prior authorization is used to evaluate the medical necessity of the requested items and determine whether TMHP will reimburse the cost of those services and supplies. An MCO may decide to pay for deliverables

¹⁰ Texas Medicaid Provider Procedures Manual, Vol. 2, "Durable Medical Equipment, Medical Supplies, and Nutritional Products" § 2.2.1 (July 2023).

that Texas Medicaid will not reimburse at the MCO's expense and discretion. The prior authorization process is a prepayment cost control measure that requires providers to obtain approval to qualify for payment. Fee-for-service providers must obtain prior authorization from TMHP within three business days of the date of service. The time frame for prior authorization at MCOs is set by each MCO.

Support for Shipping and Delivery

DME and supplies providers must maintain and retain all necessary documentation to fully support (a) the supplies provided and delivered to a member with Texas Medicaid coverage and (b) the medical necessity of those supplies.¹¹

Confirmation that DME and supplies were shipped and delivered should include (a) a delivery slip or corresponding invoice signed and dated by the applicable member or caregiver or (b) a dated carrier tracking document¹² with the shipping and delivery dates printed from the carrier's website.¹³

Changes in Eligibility Status

Client eligibility can change monthly. Providers are responsible for verifying eligibility before providing supplies.

¹¹ Texas Medicaid Provider Procedures Manual, Vol. 1, § 1.7.3 (July 2023).

¹² The dated carrier tracking document would be associated with a third-party shipping carrier, such as FedEx.

¹³ Texas Medicaid Provider Procedures Manual, Vol. 2, "Durable Medical Equipment, Medical Supplies, and Nutritional Products Handbook," § 2.2.4 (July 2023).

Chapter 2: Data and Observations

This chapter examines data for 2022 from TMHP’s claim and encounter database of providers with DME taxonomy codes¹⁴ and place of service in the client’s home. Figure 4 gives a breakdown by category.

Texas Medicaid and CHIP DME and Supplies Claims by Category

Figure 4: DME Categories as Percentages of 2022 Claims Dollars

DME Category	% of Claims Dollars	Dollars Paid (\$ millions)
Incontinence supplies	23%	\$145.9
Nutritional (enteral) products, supplies, and equipment	23%	\$145.5
Respiratory equipment and supplies	14%	\$84.3
Injectable medicines and services ¹⁵	10%	\$61.2
Mobility aids	7%	\$42.0
Diabetic equipment and supplies	6%	\$39.6
22 other categories each less than 5%	17%	\$105.7

Source: OIG Audit

¹⁴ Taxonomy Codes categorize the type, classification, and specialization of health care providers.

¹⁵ Providers of these services had DME taxonomy codes. It is beyond the scope of this report to explore why certain injectables are categorized this way.

Texas Medicaid and CHIP DME and Supplies Claims by Program

Texas Medicaid programs serve different populations. Specifically:

Children’s Health Insurance Program (CHIP): Children and youth who do not qualify for Texas Medicaid due to family income.

Medicare-Medicaid Plans (MMP): Individuals who are dually eligible for Medicare and Medicaid.

State of Texas Access Reform (STAR): Children, pregnant people, and some families.

STAR Health: Children who get Texas Medicaid through the Department of Family and Protective Services and young adults previously in foster care.

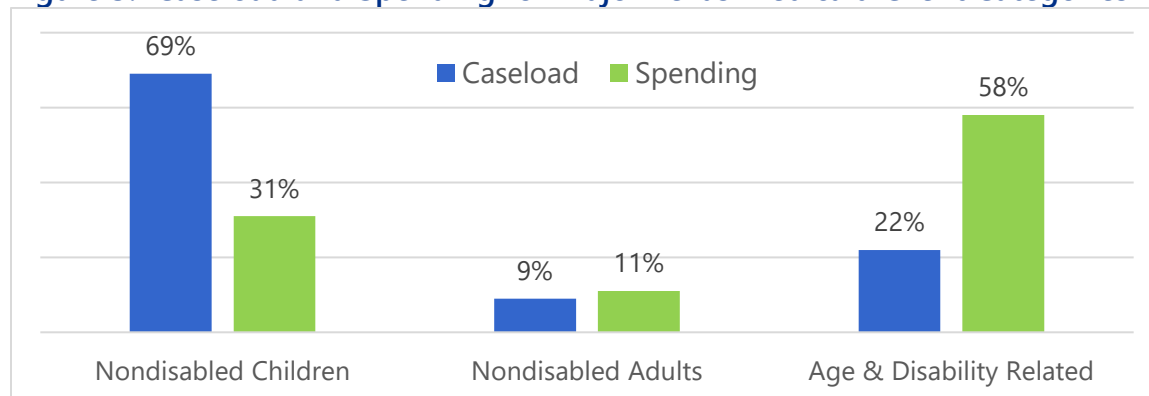
STAR Kids: Children and youth with disabilities.

STAR+PLUS: Adults with a disability, individuals aged 65 and older (including those dually eligible for Medicare and Medicaid), and people with breast or cervical cancer.

Fee-For-Service: Texas Medicaid clients not enrolled in a managed care program. Benefits may include medical transportation, long-term services and supports, waiver programs for individuals with intellectual and developmental disabilities, and hospice care.

Figure 5 shows the differences in caseloads and spending for different types of populations.

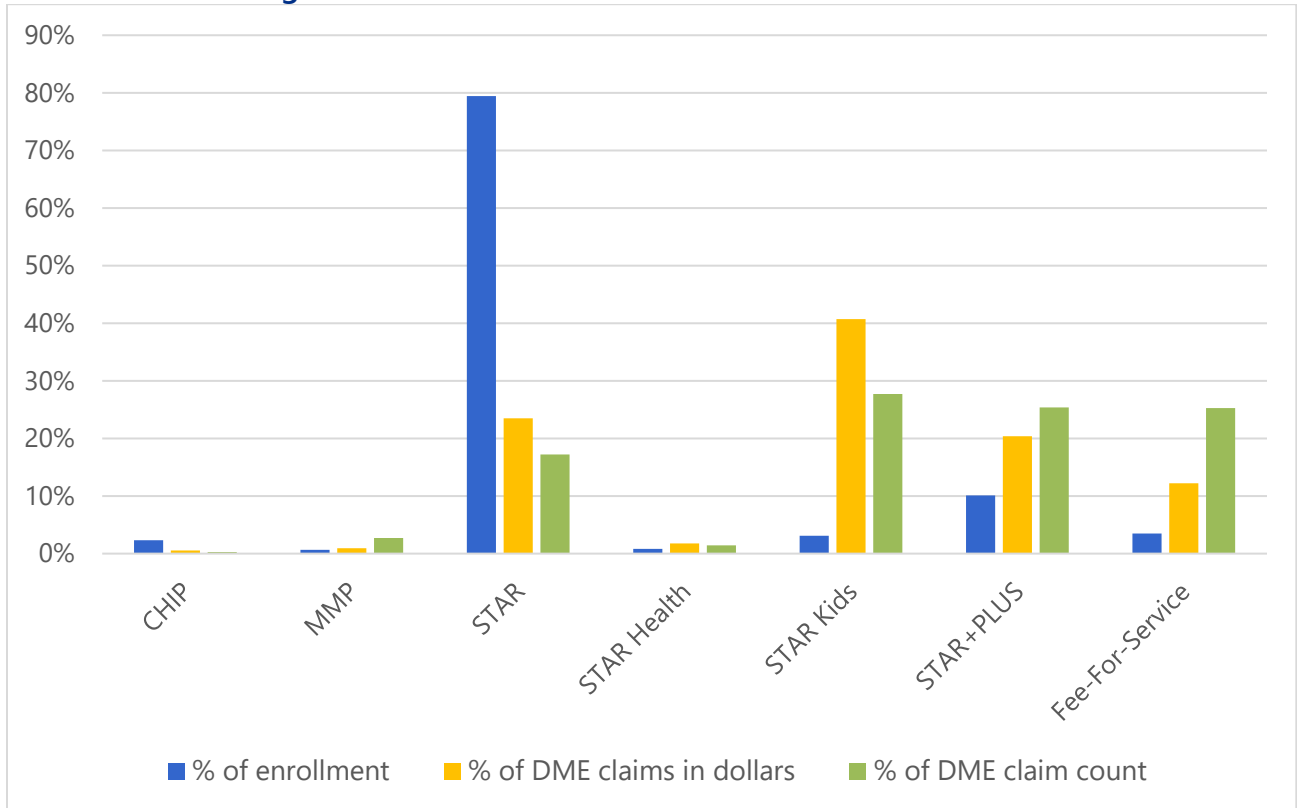
Figure 5: Caseload and Spending for Major Texas Medicaid Client Categories



Source: *Texas Medicaid and CHIP Reference Guide*, 14th ed., Texas Health and Human Services Commission (Mar. 2020)

Given that STAR Kids, STAR+PLUS, and fee-for-service populations have higher medical needs than the populations enrolled in CHIP, and STAR, it follows that the number and amounts of DME claims in those programs is higher than in programs with healthier populations, as shown in Figure 6.

Figure 6: Relationship of Member Enrollment and DME Claims by Texas Medicaid and CHIP Program

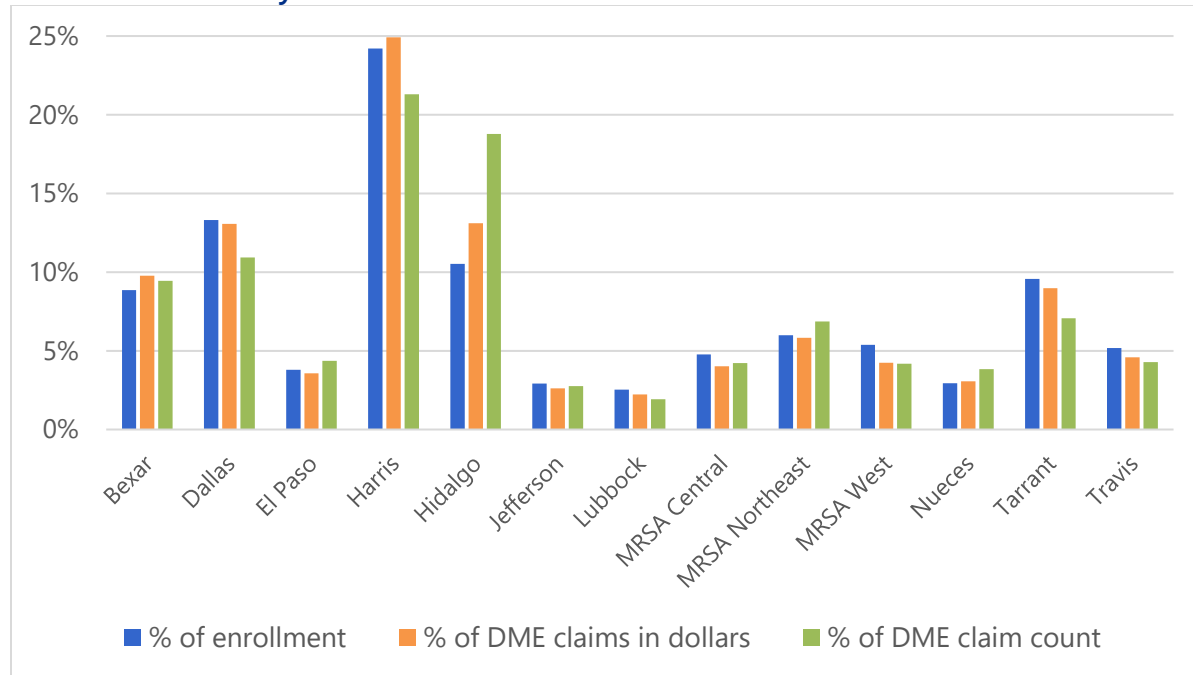


Source: OIG Audit

Texas Medicaid and CHIP DME and Supplies Claims by Service Area

As shown in Figure 7, the proportions of enrollment, DME claims dollars, and DME claim count are generally consistent by service area.

Figure 7: Relationship of Texas Medicaid and CHIP Member Enrollment and DME Claims by Service Area¹⁶



Source: OIG Audit

To explore why the percentage of overall claims in the Hidalgo service area is higher than the percentage of claims dollars, and both are much higher than the percentage of enrollment, OIG Audit considered the most commonly claimed DME categories.

¹⁶ Figure 7 does not include STAR Health because TMHP data lists STAR Health as statewide, but MCOs' financial statistical reports data list it in each client's service area, so OIG Audit could not compare the two datasets.

Table 1 shows the three most common DME categories across all Texas claims.

Table 1: Most Common Texas Medicaid and CHIP DME Claims Categories

DME Category	Percentage of Claims Dollars	Percentage of Claim Counts
Incontinence supplies	23%	51%
Nutrition (enteral) products, supplies, and equipment	23%	9%
Respiratory equipment and supplies	14%	18%

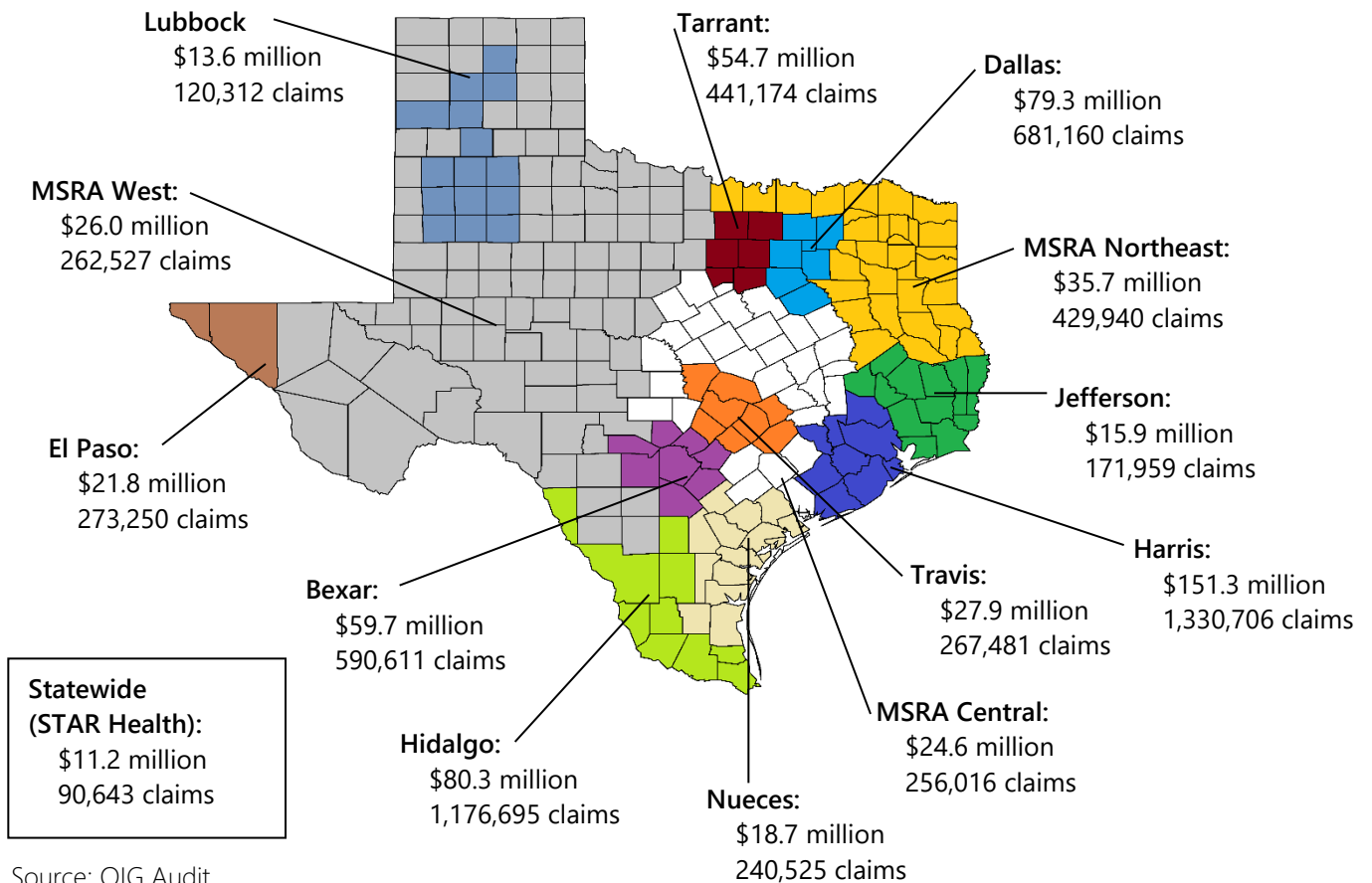
Source: OIG Audit

By region, the claims generally reflect the same proportions as statewide, with two exceptions.

1. Harris County has 21 percent of claims dollars in injectable medicines and services, while those claim counts only represent one percent. Harris County is a major world medical hub, so its doctors and providers may have access to rarer, more expensive therapies than practitioners elsewhere might be familiar with.
2. In Hidalgo, incontinence supplies make up more than half of claims dollars and nearly three-quarters of claims counts, which is out of line with the other regions.

Figure 8 details the Texas Medicaid claims by service area. This map does not include CHIP because CHIP claims occur in all regions as well as statewide.

Figure 8: Total Texas Medicaid DME Claims by Count and Reimbursement in 2022, by Managed Care Service Area



Texas Medicaid and CHIP DME and Supplies Providers

In 2022, 1,048 Texas Medicaid and CHIP DME providers filed 6,361,563 claims totaling more than \$600 million.

Of the 1,048 individual providers:

- 598 filed 1,000 or fewer claims each.
- The top 10 providers filed claims ranging in counts between 129,717 and 990,584 claims.

The top provider, Tenderheart, filed 990,584 claims, which was more than three times the claims of the Aveanna, the provider with the next highest number of claims. According to their websites, Tenderheart serves clients with incontinence supplies and Aveanna provides incontinence, nutritional, and respiratory supplies.

The amounts paid for the claims filed for Texas Medicaid or CHIP in 2022 ranged from \$0.01 for various expendable supplies such as alcohol swabs or sterile water to \$112,760 for an infusion medication. In terms of the providers' total dollar amount of claims filed for the year:

- 591 providers filed claims worth a total of \$100,000 or less.
- 15 providers had claims of more than \$10 million each.

The provider with the highest paid claims was Option Care Enterprises. Option Care Enterprises appears in the TMHP data under two national provider identifiers (NPIs), both with the same address and president. It is a home health provider and specialty pharmacy for infusion therapy, and most of its claims are for injectable medicines and services, which are more expensive than other DME supplies.

Table 2 details the top Texas Medicaid and CHIP DME providers.

Table 2: Top 10 Providers of DME and Supplies in 2022, by Claim Amount

Provider	Count of Claims	Paid Claim Amount (\$millions)	Notable Categories (\$millions)
Option Care Enterprises, Inc. (NPIs 1912930736 & 1891703575)	68,033	\$38.9	\$30.8 in Injectable medicines and services \$5.9 in Total Parenteral Nutrition
Aveanna Healthcare Medical Solutions	301,271	\$36.3	\$25.9 in Enteral \$7.5 in Incontinence
Apple Homecare Medical Supply, Inc	225,591	\$28.0	\$14.1 in Enteral \$9.9 in Respiratory
Tenderheart Health Outcomes, Inc.	990,584	\$24.0	\$20.9 in Incontinence \$1.7 in Enteral
Fifty50 Pharmacy	40,728	\$21.1	\$20.7 in Diabetic equipment and supplies
Cook Children’s Home Health	132,916	\$17.2	\$7.4 in Enteral \$3.0 in Respiratory
URS Medical I, LP	143,962	\$16.9	\$9.7 in Enteral \$2.9 in Breastfeeding services
Wave Healthcare	134,000	\$15.3	\$6.8 in Respiratory \$6.3 in Enteral
The Care Group of Texas	111,150	\$12.5	\$6.8 in Enteral \$4.1 in Respiratory
Shield Texas Healthcare	158,505	\$12.2	\$6.4 in Incontinence \$5.6 in Enteral

Source: OIG Audit

Appendix A: DME and Supplies Descriptions

Unless otherwise noted, the following descriptions of DME and supplies are based on the TMPPM, Vol. 2, "Durable Medical Equipment, Medical Supplies, and Nutritional Products Handbook," (July 2023).

Augmentative Communication Device (ACD) Systems

An ACD system, also known as an augmentative and alternative communication (AAC) device system, allows a client with an expressive speech language disorder to electronically represent vocabulary and express thoughts or ideas to meet the client's functional speech needs. A digitized speech device, sometimes referred to as a "whole message" speech output device, uses words or phrases that an individual other than the ACD system user recorded for playback upon command by the ACD system user.

Bath and Bathroom Equipment

Bath and bathroom equipment is DME that is included in a treatment protocol, serves as a therapeutic agent for life and health maintenance, and is required to treat an identified medical condition. TMHP and MCOs may consider for reimbursement bath and bathroom equipment for those clients who have physical limitations that do not allow for bathing, showering, or bathroom use without assistive equipment.

Blood Pressure Devices

Blood pressure devices are benefits in the home setting for self-monitoring when:

- The devices are medically necessary and appropriate.
- A physician prescribes them.

Bone Growth Stimulators

Electromagnetic bone growth stimulators promote healthy bone growth and repair through low intensity electrical stimulation. Electrical stimulation is provided by implanting low-voltage electrodes within the tissue surrounding the bone or by external placement of a device that transmits low-voltage currents through the soft tissue to the bone. Ultrasonic bone growth stimulators promote healthy bone growth and repair through low-intensity, pulsed ultrasound waves.

Cochlear Implants¹⁷

A cochlear implant is a small, complex electronic device that can help to provide a sense of sound to a person who is profoundly deaf or with severe hearing loss. The implant consists of an external portion that sits behind the ear and a second portion that is surgically placed under the skin. TMHP and MCOs may reimburse equipment for the external portion in the home setting, including headsets, headpieces, microphones, transmitting coils, cables, external speech processors, and batteries.

Continuous Passive Motion (CPM) Devices

TMHP and MCOs may consider reimbursement for a CPM device after joint surgery, such as knee replacement, when prescribed by a physician and submitted with clinical documentation of medical necessity and appropriateness.

Diabetic Equipment and Supplies

DME and supplies for people with diabetes includes glucose testing equipment and supplies, insulin pumps and supplies, and continuous glucose monitoring equipment and supplies. Insulin and insulin syringes are reimbursed through the Medicaid Vendor Drug Program and are not covered under Title XIX Home Health Services.

Hospital Beds and Equipment

TMHP and MCOs consider a hospital bed and related equipment for reimbursement for the diagnosis or treatment of illness or injury or to improve the functioning of a malformed body member.

Incontinence Supplies

TMHP and MCOs may consider incontinence supplies for reimbursement through the Comprehensive Care Program for those clients who are birth through three years of age with a medical condition resulting in an increased urine or stool output beyond the typical output for this age group. For clients who are four years of age or older, incontinence supplies may be considered through Title XIX

¹⁷ National Institute on Deafness and Other Communication Disorders, "Cochlear Implants," (Mar. 24, 2021), <https://www.nidcd.nih.gov/health/cochlear-implants> (accessed Aug. 8, 2023).

Home Health Services when their medical conditions result in an impairment of urination, defecation, or both.

Intravenous (IV) Therapy Equipment and Supplies

Types of IV therapy equipment and supplies include:

- Peripheral IV lines.
- Central IV lines, including peripherally inserted central catheters, subclavian catheters, and vena cava catheters.
- Central venous lines, including tunneled and peripherally inserted central venous catheters.
- Implantable ports, including access devices with subcutaneous ports.
- Infusion pumps.

TMHP and MCOs may not consider IV therapy, supplies, and equipment a benefit when the infusion or medication being administered is a chemotherapeutic agent.

Mobility Aids

Mobility aids and related supplies, including, but not limited to canes, crutches, walkers, wheelchairs, and ramps are a benefit through Title XIX home health services to assist clients to move about in their environment.

Mobility aids and related supplies, including, but not limited to, strollers, special-needs car seats, travel safety restraints, and thoracic-hip-knee-ankle orthoses (THKAO)/parapodiums are a benefit to assist clients to move about in their environment when medically necessary and federal financial participation¹⁸ is available.

TMHP and MCOs may consider mobility aids and related supplies for reimbursement through the Comprehensive Care Program for clients who are 20

¹⁸ Medicaid is a program jointly funded by federal and state governments. The federal government provides matching funds to states for a specific percentage of Medicaid expenditures, called federal financial participation (FFP). The amount of FFP is calculated using a state-specific Federal Medical Assistance Percentage (FMAP). To receive federal funding, states must use public funds generated at either the state or local government level as the non-federal share of Medicaid expenditures.

years of age or younger who are Comprehensive Care Program–eligible when documentation submitted clearly shows that the equipment is medically necessary and will correct or ameliorate the client’s disability or physical or mental illness or condition.

Nutritional (Enteral) Products, Supplies, and Equipment

Enteral nutrition refers to any method of feeding that uses the gastrointestinal (GI) tract to deliver nutrition and calories. It can include a normal oral diet, the use of liquid supplements or delivery by use of a tube (tube feeding).¹⁹ Items in this category may include feeding tubes through the nose or abdomen and feeding pumps, as well as nutritional formula.

Providers must bill nutritional products provided to clients of the Special Supplemental Nutrition Program for Women, Infants and Children (WIC), who are carved-out of the Medicaid Managed Care Program, to TMHP for payment consideration. Carved-out services are those rendered to Medicaid managed care clients but administered by TMHP and not the client’s MCO. Nutrition products provided to other Medicaid managed care program clients (other than WIC clients) are not carved out and must be submitted to the managed care organization that administers the client’s Medicaid managed care benefits.

Orthotic Services

Orthoses, including orthopedic shoes, wedges, and lifts, are a benefit of Texas Medicaid when provided by a licensed orthotist or a licensed prosthetist/orthotist through the Comprehensive Care Program for clients who are birth through 20 years of age.

¹⁹ American College of Gastroenterology, “Enteral and Parenteral Nutrition,” <https://gi.org/topics/enteral-and-parenteral-nutrition/> (accessed Aug. 8, 2023).

TMHP and MCOs may consider reimbursement for the following orthoses and related services when they meet medical necessity criteria:

- Spinal orthoses and additions to spinal orthoses, including those for scoliosis.
- Lower-limb orthoses and additions to lower-limb orthoses, including fracture orthoses.
- Foot orthoses, including inserts, orthopedic shoes, surgical boots, heel lifts, and wedges.
- Upper-limb orthoses and additions to upper-limb orthoses, including fracture orthoses.
- Other orthopedic devices, including protective helmets and dynamic splints.
- Repairs, replacements, and modifications.

Prosthetic Services

TMHP and MCOs may consider the following prostheses and related services when they meet medical necessity criteria:

- Lower limb
- Upper limb
- Craniofacial
- External breast
- Repair, replacements, and modifications
- Prosthetic training
- Accessories to prostheses

Prothrombin Time/International Normalized Ratio (PT/INR) Home Testing Monitor

A prothrombin time (PT) test measures how long it takes for a clot to form in a blood sample. An INR (international normalized ratio) is a type of calculation based on PT test results.²⁰

PT/INR home testing monitors are a benefit of Title XIX home health services for clients who require chronic oral anticoagulation due to one of the following:

- Mechanical heart valve.
- Chronic atrial fibrillation.
- Venous thromboembolism (including both deep vein thrombosis and pulmonary embolism).
- Ventricular assist device awaiting a heart transplant.

Respiratory Equipment and Supplies

Respiratory equipment and supplies that may be covered for use in the home under Title XIX Home Health Services include nebulizers, humidifiers, intermittent positive pressure breathing devices, controlled dose inhalation drug delivery systems, continuous positive airway pressure (CPAP) and respiratory assist devices, including mechanical ventilation, secretion and mucus clearance devices, oxygen therapy, cardiorespiratory monitor, tracheostomy tubes and supplies, suction machines and supplies, and pulse oximeters.

Special Needs Car Seats and Travel Restraints

TMHP and MCOs may consider a special needs car seat for reimbursement with prior authorization for a client who has outgrown an infant car seat and is unable to travel safely in a booster seat or seat belt.

A travel safety restraint and ankle or wrist belts may be considered for reimbursement through CCP without prior authorization, for clients with a medical condition requiring them to be transported in either a prone or supine position.

²⁰ MedlinePlus, "Prothrombin Time Test and INR (PT/INR)" <https://medlineplus.gov/lab-tests/prothrombin-time-test-and-inr-ptinr/> (accessed July 5, 2023).

Subcutaneous Injection Ports

A subcutaneous injection port is a sterile medication delivery device through which a user can inject physician-prescribed medications directly into the subcutaneous tissue using a standard syringe and needle, an injection pen, or another manual injection device. Texas Medicaid may reimburse the device for clients who require multiple daily injections of a physician-prescribed medication and who meet the medical necessity criteria.

Total Parenteral Nutrition (TPN) Solutions

TPN is a method of feeding that bypasses the gastrointestinal tract. A special formula given through a vein provides most of the nutrients the body needs.²⁰ TPN may be considered with prior authorization, for clients with conditions that result in a loss of function of the GI tract and the inability to obtain adequate nutrition by the enteral route, and for conditions that result in an inability of the bowel to absorb nutrition.

Vitamin and Mineral Products

Vitamin and mineral products prescribed or ordered by a physician to treat various conditions are a benefit of Texas Medicaid through the Comprehensive Care Program for clients who are 20 years of age and younger.

Wound Care Supplies or Systems

Wound care equipment and supplies are designed to assist in healing of wounds in conjunction with an individualized wound care regimen prescribed by a provider familiar with the client.

Comprehensive wound care regimens include:

- Maintenance of a clean, moist bed of granulation tissue.
- Debridement to remove devitalized tissue.
- Any necessary treatment to resolve infection.
- Optimization of nutrition, circulation, ambulation, and chronic disease management.

Wounds may be acute or chronic. Acute wounds progress through the normal stages of wound healing and show definite signs of healing within four weeks. Chronic wounds do not progress normally through the stages of healing (often

getting “stalled” in one phase) and do not show evidence of healing within four weeks. Skin ulcers represent most chronic wounds.

Appendix B: Related Reports

- 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 Medicaid Beneficiaries: Longhorn Health Solutions, [AUD-20-018](#), August 25, 2020
- Durable Medical Equipment Delivered to Deceased Medicaid Beneficiaries: Nextra Health, Inc., [AUD-20-016](#), August 20, 2020
- Durable Medical Equipment Delivered to Deceased Medicaid Beneficiaries: All Star Medical Equipment and Supply, Inc., [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
- Durable Medical Equipment: Inspection of Power Wheelchairs, [INS-18-004](#), February 27, 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

Appendix C: External Sources

In addition to data from the TMHP claim and encounter database, OIG Audit consulted the following references when compiling this report:

- HCPCS Codes: 2023 Healthcare Common Procedure Coding System, <https://hcpcs.codes/> (accessed July 5, 2023)
- HHSC, *Texas Medicaid and CHIP Reference Guide*, 14th ed., (Mar. 2023) <https://www.hhs.texas.gov/sites/default/files/documents/texas-medicaid-chip-reference-guide-14th-edition.pdf> (accessed July 5, 2023)
- National Plan and Provider Enumeration System National Provider Identifier Registry, <https://npiregistry.cms.hhs.gov/search> (accessed July 5, 2023)
- "Online Fee Lookup Search," TMHP, <https://public.tmhp.com/FeeSchedules/OnlineFeeLookup/FeeScheduleSearch.aspx> (accessed July 5, 2023)
- Texas Medicaid Provider Procedures Manual, Vol. 2, "Durable Medical Equipment, Medical Supplies, and Nutritional Products Handbook," (Feb. 2023). https://www.tmhp.com/sites/default/files/file-library/resources/provider-manuals/tmppm/pdf-chapters/2023/2023-02-feb/2_DME_and_Supplies.pdf (accessed July 5, 2023)
- Texas Medicaid Provider Procedures Manual, Vol. 2, "Medicaid Managed Care Handbook," (Nov. 2022) https://www.tmhp.com/sites/default/files/file-library/resources/provider-manuals/tmppm/pdf-chapters/2022/2022-11-november/2_Medicaid_Managed_Care.pdf (accessed July 5, 2023)

Appendix D: Report Team and Distribution

Report Team

OIG staff members who contributed to this audit report include:

- Anton Dutchover, CPA, Deputy Inspector General of Audit and Inspections
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- Christine Alexander, Staff Auditor
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Report Distribution

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- 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

Appendix E: 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:

- Sylvia Hernandez Kauffman, 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
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