

Department of Health and Human Services

**OFFICE OF
INSPECTOR GENERAL**

**TEXAS CLAIMED UNALLOWABLE
FEDERAL REIMBURSEMENT FOR SOME
FAMILY PLANNING SERVICES**

*Inquiries about this report may be addressed to the Office of Public Affairs at
Public.Affairs@oig.hhs.gov.*



**Patricia Wheeler
Regional Inspector General
for Audit Services**

**March 2015
A-06-11-00016**

Office of Inspector General

<http://oig.hhs.gov>

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EXECUTIVE SUMMARY

Texas improperly claimed Medicaid reimbursement of at least \$129,028 for family planning services provided by Planned Parenthood of North Texas that did not comply with Federal and State Medicaid requirements for the period March 1, 2007, through September 30, 2008.

WHY WE DID THIS REVIEW

Family planning services prevent or delay pregnancy or otherwise control family size. Federal laws and regulations authorize Federal Medicaid reimbursement to States for family planning services at an enhanced Federal medical assistance percentage (FMAP) of 90 percent (90-percent rate). These services are funded through Medicaid or through demonstration projects, known as waivers, which allow States to expand Medicaid to grant eligibility to individuals who would not otherwise have been eligible or to provide services that are not typically covered. Previous Office of Inspector General reviews found that States improperly claimed reimbursement at the 90-percent rate for services that were eligible only for the regular FMAP or were ineligible for Federal reimbursement.

The objective of this review was to determine whether the Texas Health and Human Services Commission (the State agency) claimed Medicaid reimbursement for family planning services provided by Planned Parenthood of North Texas (PPNT) in accordance with Federal and State Medicaid requirements or the conditions of the Texas Women's Health Waiver (waiver), whichever was appropriate.

BACKGROUND

Section 4270(B) of the Centers for Medicare & Medicaid Services (CMS) *State Medicaid Manual* (the Manual) states that family planning services prevent or delay pregnancy or otherwise control family size and may also include infertility treatments. The Manual indicates that States are free to determine which services and supplies will be covered as long as those services are sufficient in amount, duration, and scope to reasonably achieve their purpose. However, only services and supplies clearly furnished for family planning purposes may be claimed for Federal reimbursement at the 90-percent rate.

In Texas, the State agency is responsible for administering the Medicaid program. In addition to family planning services for Medicaid recipients, Texas established the waiver under section 1115 of the Social Security Act to provide a limited and defined set of family planning services to uninsured women who are not eligible for Medicaid.

HOW WE CONDUCTED THIS REVIEW

Our review covered 3,251 clients with claims for Medicaid family planning services (Medicaid services) that PPNT submitted, totaling \$493,112 (\$443,800 Federal share), during the period March 1, 2007, through September 30, 2008 (audit period). Our review also covered 5,548 clients with claims for waiver family planning services (waiver services) that PPNT submitted,

totaling \$800,000 (\$720,000 Federal share), during our audit period. We selected a stratified random sample of 105 clients from each of these client populations. We reviewed the services and determined the unallowable Federal share of the payments made.

WHAT WE FOUND

The State agency did not always claim Medicaid reimbursement for family planning services provided by PPNT in accordance with Federal and State Medicaid requirements or the conditions of the waiver, whichever was appropriate. Of the 210 sampled Medicaid and waiver client records: (1) 50 Medicaid client records contained 1 or more deficiencies (totaling \$3,983) on insufficient supporting documentation, and 39 waiver client records contained 1 or more deficiencies (totaling \$1,855) on insufficient supporting documentation; (2) 23 Medicaid client records contained 1 or more deficiencies (totaling \$738) on incorrect billing, and 28 waiver client records contained 1 or more deficiencies (totaling \$972) on incorrect billing; and (3) 5 Medicaid client records contained 1 or more deficiencies (totaling \$104) on services unrelated to family planning

The State agency did not always properly claim Medicaid reimbursement for family planning services because it did not ensure that: (1) PPNT maintained the appropriate required supporting documentation, (2) PPNT properly billed for family planning services, and (3) services claimed had a family planning purpose. As a result of these errors, the State agency incorrectly claimed a total of \$7,651 for Medicaid and waiver services. On the basis of our sample results, we estimated that the State agency improperly claimed a total of \$129,028: \$67,019 for Medicaid services and \$62,009 for waiver services.

WHAT WE RECOMMEND

We recommend that the State agency:

- refund \$129,028 to the Federal Government: \$67,019 for Medicaid services and \$62,009 for waiver services that did not comply with Federal and State requirements for family planning services,
- strengthen guidance and provider education activities to ensure that the necessary supporting documentation is available for family planning services and that services are correctly billed, and
- work with CMS to revise policies and procedures to ensure that services claimed have a family planning purpose.

PLANNED PARENTHOOD OF NORTH TEXAS COMMENTS AND OUR RESPONSE

In written comments on our draft report, PPNT generally agreed with our recommendations. However, PPNT said that some of the client records did have sufficient supporting documentation to support the claim and that the only issue was that the date on the records did not match the date on the claim.

The State agency's Office of Inspector General medical reviewers examined the records and stated that they routinely deny the services if the date of service billed does not match the date of service on the medical documentation. As a result, we maintain that the services for the 21 records were not eligible for reimbursement.

STATE AGENCY COMMENTS

In written comments on our draft report, the State agency provided information on actions that it planned to take to address our recommendations. The State agency said that it would collect the overpayment from PPNT and refund the Federal share to CMS. The State agency said that it would review guidance and provider education materials and implement appropriate changes to Medicaid policies, procedures, and rules. The State agency also said that it would communicate these changes to providers and remind them to maintain appropriate supporting documentation and to bill services correctly. Finally, the State agency said that it would conduct a review of Medicaid policies and procedures, consult with CMS and other stakeholders, and make appropriate changes to ensure that services claimed have a family planning purpose.

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INTRODUCTION

WHY WE DID THIS REVIEW

Family planning services prevent or delay pregnancy or otherwise control family size. Federal laws and regulations authorize Federal Medicaid reimbursement to States for family planning services at an enhanced Federal medical assistance percentage (FMAP) of 90 percent (90-percent rate). These services are funded through Medicaid or through demonstration projects, known as waivers, which allow States to expand Medicaid to grant eligibility to individuals who would not otherwise have been eligible or to provide services that are not typically covered. Previous Office of Inspector General reviews found that States improperly claimed reimbursement at the 90-percent rate for services that were eligible only for the regular FMAP or were ineligible for Federal reimbursement.

OBJECTIVE

Our objective was to determine whether the Texas Health and Human Services Commission (the State agency) claimed Medicaid reimbursement for family planning services provided by Planned Parenthood of North Texas (PPNT) in accordance with Federal and State Medicaid requirements or the conditions of the Texas Women's Health Waiver (waiver), whichever was appropriate.

BACKGROUND

Medicaid Program

The Medicaid program provides medical assistance to low-income individuals and individuals with disabilities (Title XIX of the Social Security Act (the Act)). The Federal and State Governments jointly fund and administer the Medicaid program. At the Federal level, the Centers for Medicare & Medicaid Services (CMS) administers the program. Each State administers its Medicaid program in accordance with a CMS-approved State plan. Although the States have considerable flexibility in designing and operating their Medicaid program, they must comply with applicable Federal requirements. In Texas, the State agency is responsible for administering the Medicaid program.

The Federal Government pays its share of a State's medical assistance expenditures under Medicaid based on the FMAP, which varies depending on the State's relative per capita income (section 1905(b) of the Act). For 2007 and 2008, the FMAP for Texas was 60.78 percent and 60.53 percent, respectively. The Act authorizes Federal reimbursement at the 90-percent rate for family planning medical assistance services (section 1903(a)(5) of the Act).

Medicaid Coverage of Family Planning Services

States furnish family planning services and supplies to individuals of childbearing age (including minors who can be considered sexually active) who are eligible under the State plan and desire such services and supplies (section 1905(a)(4)(C) of the Act).

Family planning services are those that prevent or delay pregnancy or otherwise control family size and may also include infertility treatments.¹ The Manual indicates that States are free to determine which services and supplies will be covered as long as those services are sufficient in amount, duration, and scope to reasonably achieve their purpose. However, only services and supplies clearly furnished for family planning purposes may be claimed for Federal reimbursement at the 90-percent rate.

Texas Women’s Health Waiver

The Secretary of the U.S. Department of Health and Human Services has broad authority to authorize demonstration projects likely to assist in promoting the objectives of the Medicaid statute (section 1115 of the Act). Texas established a section 1115 waiver to provide a limited and defined set of family planning services to uninsured women who are not eligible for Medicaid. Services covered under the waiver include family planning exams, related health screenings, and birth control. CMS approved the waiver, and it began on January 1, 2007; it expired on December 31, 2012.

HOW WE CONDUCTED THIS REVIEW

Our review covered 3,251 clients with claims for Medicaid family planning services (Medicaid services) that PPNT submitted, totaling \$493,112 (\$443,800 Federal share) during the period March 1, 2007, through September 30, 2008 (audit period). Our review also covered 5,548 clients with claims for waiver family planning services (waiver services) that PPNT submitted, totaling \$800,000 (\$720,000 Federal share), during our audit period. We selected a stratified random sample of 105 clients from each of these client populations. A sample unit consisted of all family planning claim lines for one client for the audit period. We submitted the medical records for all sampled clients to the State agency’s Office of Inspector General medical reviewers to determine whether the family planning services complied with Federal and State Medicaid requirements or the conditions of the waiver, whichever was appropriate. For services that did not comply, we determined the unallowable Federal share of the payments made.

We conducted this performance 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. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix A contains the details of our audit scope and methodology, Appendixes B and C contain our statistical sampling methodology, and Appendixes D and E contain our sample results and estimates.

FINDINGS

The State agency did not always claim Medicaid reimbursement for family planning services

¹ Section 4270(B) of the CMS *State Medicaid Manual* (the Manual).

provided by PPNT in accordance with Federal and State Medicaid requirements or the conditions of the Waiver, whichever was appropriate. Of the 210 sampled Medicaid and waiver client records: (1) 50 Medicaid client records contained 1 or more deficiencies (totaling \$3,983) on insufficient supporting documentation, and 39 waiver client records contained 1 or more deficiencies (totaling \$1,855) on insufficient supporting documentation; (2) 23 Medicaid client records contained 1 or more deficiencies (totaling \$738) on incorrect billing, and 28 waiver client records contained 1 or more deficiencies (totaling \$972) on incorrect billing; and (3) 5 Medicaid client records contained 1 or more deficiencies (totaling \$104) on services unrelated to family planning.

The State agency did not always properly claim Medicaid reimbursement for family planning services because it did not ensure that: (1) PPNT maintained the appropriate required supporting documentation, (2) PPNT correctly billed for family planning services, and (3) services claimed had a family planning purpose. As a result of these errors, the State agency incorrectly claimed a total of \$7,651: \$4,824 for Medicaid services and \$2,827 for waiver services. On the basis of our sample results, we estimated that the State agency improperly claimed a combined total of \$129,028: \$67,019 for Medicaid services and \$62,009 for waiver services.

THE STATE AGENCY DID NOT ENSURE THAT PLANNED PARENTHOOD OF NORTH TEXAS HAD SUFFICIENT SUPPORTING DOCUMENTATION

Providers must keep records to fully disclose the extent of services provided to Medicaid beneficiaries.² Additionally, all Medicaid records must be kept for 5 years from the date of service or until all pending audit questions are resolved, whichever is longer.³ Records and supporting documentation must be made available upon request to the Texas Department of Health or its designated agent.⁴

- For 50 of the 105 Medicaid clients in our sample, PPNT did not have the required supporting documentation for at least 1 family planning service.
- For 39 of the 105 waiver clients in our sample, PPNT did not have the required supporting documentation for at least 1 family planning service.

For example, all of the medical records for the dates of service were missing, or the records did not have sufficient information to support the services claimed. These errors occurred because the State agency did not ensure that PPNT maintained the appropriate required supporting documentation for family planning services. As a result, the State agency improperly claimed \$3,983 for Medicaid services and \$1,855 for waiver services.

² Section 1902(a)(27) of the Act.

³ Texas Administrative Code, Title 1, part 15, Rule § 354.1004.

⁴ *id.*

THE STATE AGENCY DID NOT ENSURE THAT PLANNED PARENTHOOD OF NORTH TEXAS CORRECTLY BILLED SERVICES

The Medicaid program pays for services provided to a client only when the extent of the services is fully disclosed.⁵ According to the official coding guidelines,⁶ billing codes are determined using several components, including a client's history, examinations, medical decision making, counseling, coordination of care, the nature of the presenting problem, and the amount of time spent with the client.

- For 23 of the 105 Medicaid clients in our sample, at least 1 family planning service was incorrectly billed.
- For 28 of the 105 waiver clients in our sample, at least 1 family planning service was incorrectly billed.

Examples of this type of error included billing an incorrect office visit code when the client received only a birth control injection, billing a counseling code in addition to another code that already included the counseling, or billing for a service that was claimed during a previous visit and that was not allowed to be billed again. These errors occurred because the State agency did not ensure that PPNT correctly billed for family planning services. As a result, the State agency improperly claimed \$738 for Medicaid services and \$972 for waiver services.

THE STATE AGENCY DID NOT ENSURE THAT SERVICES WERE FOR FAMILY PLANNING

Family planning services are provided to people who voluntarily choose not to risk an initial pregnancy or who desire to control family size (The Manual, § 4270(B)). States may determine specific services and supplies to cover as family planning; however, they must reasonably achieve a family planning purpose. Only procedures provided for family planning purposes may be matched at the 90-percent rate.

Of the 105 Medicaid clients in our sample, 5 received services incorrectly claimed as family planning:

- One client received services for menstrual cycle management. Menstrual cycle management is a medical treatment for abnormal menses and not considered a family planning service.
- In addition to the errors the medical reviewers identified, we identified four clients who had been sterilized before the dates of service reviewed. A sterilized individual is unable

⁵ Sections 1902(a)(27), 1903(a)(1), and 1905(a) of the Act.

⁶ Providers use the Current Procedural Terminology maintained and distributed by the American Medical Association to code services billed.

to become pregnant and therefore does not need family planning services. CMS concurred with our assessment of these services.

These services for menstrual cycle management and for sterilized individuals are not eligible as family planning services at the 90-percent rate; however, they would have been allowable as regular Medicaid services. To determine the amount of the error, we calculated the difference between the 90-percent rate and the regular FMAP. These errors occurred because the State agency did not ensure that services had a family planning purpose. As result, the State agency improperly claimed \$104 for services that should not have been claimed as family planning services.

OVERALL ESTIMATE OF OVERPAYMENTS

On the basis of our sample results, we estimated that the State agency improperly claimed a total of \$129,028: \$67,019 for Medicaid services and \$62,009 for waiver services.

RECOMMENDATIONS

We recommend that the State agency:

- refund \$129,028 to the Federal Government: \$67,019 for Medicaid services and \$62,009 for waiver services that did not comply with Federal and State requirements for family planning services,
- strengthen guidance and provider education activities to ensure that the necessary supporting documentation is available for family planning services and that services are correctly billed, and
- work with CMS to revise policies and procedures to ensure that services claimed have a family planning purpose.

PLANNED PARENTHOOD OF NORTH TEXAS COMMENTS AND OFFICE OF INSPECTOR GENERAL RESPONSE

In written comments on our draft report, PPNT generally agreed with our recommendations. However, PPNT did not agree with our findings on 21 client records (17 Medicaid claims and 4 waiver claims)⁷ that did not have sufficient supporting documentation. PPNT stated that the claims did contain sufficient documentation to support the claims and that the only issue was that the date on the records did not match the date on the claims. PPNT stated that it believes that all of these claims are valid.

⁷ The term “client record” in our report refers to all claims for a Medicaid or waiver client during our audit period. PPNT’s response uses the term client record to refer to a single date of service. PPNT disagreed with our finding on 21 dates of service (17 Medicaid claims and 4 waiver claims). The 17 Medicaid claims are part of 10 Medicaid client records in our sample, and the 4 waiver claims are part of 3 waiver client records.

We included PPNT's comments as Appendix F but redacted the personally identifiable information in it.

The State agency's Office of Inspector General medical reviewers examined the records and stated that they routinely deny services if the date of service billed does not match the date of service on the medical documentation. As a result, we maintain that the services for the 21 records were not eligible for reimbursement.

STATE AGENCY COMMENTS

In written comments on our draft report, the State agency provided information on actions that it planned to take to address our recommendations. The State agency said that it would collect the overpayment from PPNT and refund the Federal share to CMS. The State agency said that it would review guidance and provider education materials and implement appropriate changes to Medicaid policies, procedures, and rules. The State agency also said that it would communicate these changes to providers and remind them to maintain appropriate supporting documentation and to bill services correctly. Finally, the State agency said that it would conduct a review of Medicaid policies and procedures, consult with CMS and other stakeholders, and make appropriate changes to ensure that services claimed have a family planning purpose. We included the State agency's comments in their entirety as Appendix G.

APPENDIX A: AUDIT SCOPE AND METHODOLOGY

SCOPE

We reviewed services reported on line 09 of the base report section and the 1115 family planning waiver section⁸ of the Form CMS-64, Quarterly Medicaid Statement of Expenditures for the Medical Assistance Program (CMS-64 report) for the period March 1, 2007, through September 30, 2008. We reviewed the Medicaid services that PPNT provided for 3,251 clients, totaling \$493,122 (\$443,800 Federal share), during our audit period, and we reviewed the waiver services that PPNT provided for 5,548 clients, totaling \$800,000 (\$720,000 Federal share), during our audit period.

We did not review the overall internal control structure of the State agency because our objective did not require us to do so. Rather, we limited our review to the State agency's procedures for processing family planning claims. We conducted our fieldwork at PPNT locations in Dallas and Fort Worth, Texas.

METHODOLOGY

To accomplish our objective, we:

- reviewed applicable Federal and State laws, regulations, guidance, and the State plan;
- reviewed the Special Terms and Conditions of the waiver;
- interviewed State agency officials to gain an understanding of policies and procedures for family planning services;
- interviewed CMS officials to gain an understanding of how to interpret criteria related to family planning services;
- interviewed PPNT officials to gain an understanding of PPNT's policies and procedures for performing family planning services and its billing process;
- obtained the claim data supporting the CMS-64 reports for Federal fiscal years 2007 and 2008 from the State agency;
- reconciled the claim data totals with the amounts claimed on the CMS-64 reports for Federal fiscal years 2007 and 2008;
- identified a sampling frame of 3,251 clients who had been provided Medicaid services totaling \$493,112 (\$443,800 Federal share) and 5,548 clients who had been provided waiver services totaling \$800,000 (\$720,000 Federal share);

⁸ Services provided under the Texas Women's Health Waiver are reported on this section of the CMS-64 report.

- selected a stratified random sample of 105 Medicaid clients,
- selected a stratified random sample of 105 waiver clients;
- obtained the supporting medical record documentation from PPNT;
- submitted the medical records to the State agency's Office of Inspector General for medical review;
- summarized the results from the medical review;
- calculated the overpayment for each client;
- estimated the overpayment in the total population of 3,251 Medicaid clients and 5,548 waiver clients; and
- discussed the results of our audit with PPNT and the State agency.

See Appendixes B and C for the statistical sampling methodology and Appendixes D and E for the sample results and estimates.

We conducted this performance 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. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

APPENDIX B: STATISTICAL SAMPLING METHODOLOGY – MEDICAID SAMPLE

POPULATION

The population consisted of Medicaid clients with claims that PPNT submitted to support practitioners' services expenditures reported on the CMS-64 report under Texas Medicaid family planning during the period March 1, 2007, through September 30, 2008.

SAMPLING FRAME

The sampling frame consisted of 3,251 clients with claims totaling \$493,112 (\$443,800 Federal share) for the period March 1, 2007, through September, 30 2008.

SAMPLE UNIT

The sample unit was a client with claims that PPNT submitted for practitioners' services under Medicaid for family planning services.

SAMPLE DESIGN

We selected a stratified random sample.

Stratum	Total Payment	Number of Clients
1	\$50.00 to \$117.99	1,956
2	\$118.00 to \$389.99	1,058
3	\$390.00 to \$1,419.33	237
Total		3,251

SAMPLE SIZE

We selected a sample of 105 clients, 35 from stratum 1, 35 from stratum 2, and 35 from stratum 3.

SOURCE OF RANDOM NUMBERS

We used the Office of Inspector General (OIG), Office of Audit Services (OAS), statistical software to generate the random numbers.

METHOD OF SELECTING SAMPLE ITEMS

We sequentially numbered the sample units. After generating the random numbers, we selected the corresponding frame items.

ESTIMATION METHODOLOGY

We used the OIG/OAS statistical software to estimate the total Federal share of overpayments.

APPENDIX C: STATISTICAL SAMPLING METHODOLOGY – WAIVER SAMPLE

POPULATION

The population consisted of waiver clients with claims that PPNT submitted to support practitioners' services expenditures reported on the CMS-64 reports under the Medicaid family planning 1115 Waiver during the period March 1, 2007, through September 30, 2008.

SAMPLING FRAME

The sampling frame consisted of 5,548 clients with claims totaling \$800,000 (\$720,000 Federal share) for the period March 1, 2007, through September 30, 2008.

SAMPLE UNIT

The sample unit was a client with claims submitted by PPNT for practitioners' services under the Medicaid family planning 1115 Waiver.

SAMPLE DESIGN

We selected a stratified random sample.

Stratum	Total Payment	Number of Clients
1	\$50.00 to \$149.99	3,981
2	\$150.00 to \$399.99	1,281
3	\$400.00 to \$1,079.46	286
Total		5,548

SAMPLE SIZE

We selected a sample of 105 clients, 35 from stratum 1, 35 from stratum 2, and 35 from stratum 3.

SOURCE OF RANDOM NUMBERS

We used the OIG/OAS statistical software to generate the random numbers.

METHOD OF SELECTING SAMPLE ITEMS

We sequentially numbered the sample units. After generating the random numbers, we selected the corresponding frame items.

ESTIMATION METHODOLOGY

We used the OIG/OAS statistical software to estimate the total Federal share of overpayments.

APPENDIX D: SAMPLE RESULTS AND ESTIMATES – MEDICAID SAMPLE

Sample Results (Federal Share)

Stratum	Sampling Frame Size	Value of Frame	Sample Size	Value of Sample	Number of Sample Units With Errors	Value of Improperly Claimed Services
1	1,956	\$143,055	35	\$2,552	20	\$554
2	1,058	173,695	35	5,759	30	1,555
3	237	127,051	35	18,002	28	2,715
Total	3,251	\$443,800	105	\$26,313	78	\$4,824

Estimated Value of Improperly Claimed Services (Federal Share)
(Limits Calculated for a 90-Percent Confidence Interval)

Point estimate	\$87,321
Lower limit	67,019
Upper limit	107,623

APPENDIX E: SAMPLE RESULTS AND ESTIMATES – WAIVER SAMPLE

Sample Results (Federal Share)

Stratum	Sampling Frame Size	Value of Frame	Sample Size	Value of Sample	Number of Sample Units With Errors	Value of Improperly Claimed Services
1	3,981	\$319,848	35	\$2,712	13	\$461
2	1,281	264,725	35	6,587	22	1,081
3	286	135,427	35	17,178	19	1,286
Total	5,548	\$720,000	105	\$26,477	54	\$2,827

Estimated Value of Unallowable Services (Federal Share)
(Limits Calculated for a 90-Percent Confidence Interval)

Point estimate	\$92,267
Lower limit	62,009
Upper limit	122,525

APPENDIX F: PLANNED PARENTHOOD OF NORTH TEXAS COMMENTS



Planned Parenthood of Greater Texas

October 16, 2014

Report Number: A-06-11-00016

Mr. Paul Garcia
Audit Manager
Department of Health and Human Services
Office of the Inspector General
Office of Audit Services, Region VI
1100 Commerce Street, Room 632
Dallas, TX 75242

Dear Mr. Garcia:

Planned Parenthood of Greater Texas received the report (reference number above) entitled Texas Unallowable Federal Reimbursement for Some Family Planning Services. The following are our organization's comments on the validity of the facts and reasonableness of the recommendations in the report.

Planned Parenthood of Greater Texas has analyzed the report in detail as well as the detailed documentation sent and agrees in general with the recommendations. However, in the sample of 210 Medicaid and waiver client records there were 21 records that had claim date issues that we believe are not sufficient to categorize these as invalid claims. In these cases the claim contains proper documentation to support the claim with the only issue being the date of the records does not match the date on the claim. In most of the 21 cases this date is off by one day. This situation can occur when data is not entered into the records system on the date the encounter occurs. We believe all of these claims are valid claims and should not be included in the amount that has been determined to be invalid claims. These 21 date issue claims are made up of 17 Medicaid claims totaling \$640.58 and 4 waiver claims totaling \$109.20. We request these amounts be removed from the amounts used to calculate the recommended refund. The detail of these claims is attached.

I appreciate your consideration of this request. Please contact me if any further documentation is required or if you would like to discuss this further.

Best,

Ken Lambrecht
President and CEO

201 E. Ben White Blvd., Ste. B, Austin, TX 78704 | 7424 Greenville Ave., Ste. 206, Dallas, TX 75231 | 6464 John Ryan Drive, Fort Worth, TX 76132 | 1121 Ross Ave., Waco, TX 76706

MEDICAID SAMPLE

Order or Sample #	*	Submitted Client PCN Nbr	Total Overpayment	Reason for Overpayment (If Applicable) - See Key	Overpayment Reason Summary by Client - See Key	Services Unallowable as Family Planning - See Key	RESPONSE FROM PPGT
23			\$70.64	1	1	2	All supporting documentation in the chart is dated 1/22/08 - but the bill shows date of services as 1/31/08. Could have had computer issue and not able to post the batch/charges until a later date
7			\$53.48	1			All documentation in the chart shows 3/19/08 - the bill shows 3/20/08
16			\$40.42	1			All paperwork in chart date 4/2/07 - but shows billed 4/3/07
16			\$16.42	1	1	1	
16			\$11.38	1			
17			\$70.64	1	1	2	All paperwork in chart dated 10/13/07 but invoice shows date 10/15/07
17			\$48.10	1			
22			\$70.64	1			All documents dated 1/26/08, but the bill date shown as 1/28/08
22			\$53.48	1			
12			\$28.78	1	1	1	All documentation dated 4/19/07 but the invoice show date 4/20/07
6			\$29.52	1			All documentation dated 10/25/07 - invoice dated 10/26/07 CDD report shows collection date 10/26/07
3			\$28.78	1	1	1	Documentation shows 5/4/07 as date of service - Bill date shows 5/7/07
3			\$10.19	1			
25			\$47.06	1			All documentation in the chart dated 6/26/07 and the bill date shows 6/27/07
25			\$11.38	1			
25			\$8.21	1			
10			\$41.46	1	1,2	1	All documentation dated 2/12/08 but the invoice date shows 2/13/08

TOTAL MEDICAID **\$640.58**

*

* **Office of Inspector General note:** We redacted the Submitted Client PCN Nbr of each of the sample items listed because it is personally identifiable information.

WAIVER SAMPLE

Order or Sample #	Submitted Client PCN	Total Overpayment	Reason for Overpayment (If Applicable) - See Key	RESPONSE FROM PPGT
3	[REDACTED]	\$2.80	1	Documentation shows 4/17/07 as the date, invoice shows 4/18/07
6	[REDACTED]	\$28.78	2	All documents are dated 7/19/07 and the bill shows date of service as 7/20/07
6	[REDACTED]	\$48.10	1	
15	[REDACTED]	\$29.52	1	All documentation shows 2/23/08 and invoice shows date of service as 2/22/08 (not 2002 as indicated)
TOTAL WAIVER		\$106.40		

APPENDIX G: STATE AGENCY COMMENTS



TEXAS HEALTH AND HUMAN SERVICES COMMISSION

KYLE L. JANEK, M.D.
EXECUTIVE COMMISSIONER

January 16, 2015

Ms. Patricia Wheeler
Regional Inspector General for Audit Services
Office of Inspector General, Office of Audit Services
1100 Commerce, Room 632
Dallas, Texas 75242

Reference Report Number A-06-11-00016

Dear Ms. Wheeler:

The Texas Health and Human Services Commission (HHSC) received a draft audit report entitled "Texas Claimed Unallowable Federal Reimbursement for Some Family Planning Claims" from the Department of Health and Human Services Office of Inspector General. The cover letter, dated December 18, 2014, requested that HHSC provide written comments, including the status of actions taken or planned in response to report recommendations.

I appreciate the opportunity to respond. Please find the attached HHSC management response which: (a) includes comments related to the content of the findings and recommendations; and (b) details actions HHSC has completed or planned.

If you have any questions or require additional information, please contact David Griffith, Director of HHS Risk and Compliance Management. Mr. Griffith may be reached by telephone at (512) 424-6998 or by e-mail at David.Griffith@hhsc.state.tx.us.

Sincerely,

A handwritten signature in black ink, appearing to read "Kyle Janek".

Kyle L. Janek, M.D.

P. O. Box 13247 • Austin, Texas 78711 • 4900 North Lamar, Austin, Texas 78751 • (512) 424-6500

Texas Health and Human Services Commission
Management Response to the
U.S. Department of Health and Human Services Office of Inspector General Report:

**Texas Claimed Unallowable Federal Reimbursement for Some
Family Planning Claims**

DHHS - OIG Recommendation: *We recommend that the State agency refund \$129,028 to the Federal Government: \$67,019 for Medicaid services and \$62,009 for waiver services that did not comply with Federal and State requirements for family planning services.*

HHSC Management Response:

Actions Planned:

HHSC will collect the overpayment from Planned Parenthood of North Texas and refund the federal share to CMS.

Estimated Completion Date: One year from the date of the final audit report

Title of Responsible Person: Director, Operations Oversight

DHHS - OIG Recommendation: *We recommend that the State agency strengthen guidance and provider education activities to ensure that the necessary supporting documentation is available for family planning services and that services are correctly billed.*

HHSC Management Response:

Actions Planned:

HHSC will review relevant guidance and provider education materials and identify areas for improvement. HHSC will implement appropriate changes to Medicaid policies, procedures, and rules, and will communicate these changes to providers to remind providers of their obligation to maintain appropriate supporting documentation for all family planning services and to bill services correctly.

Estimated Completion Date: March 31, 2016

Title of Responsible Person: Director, Operations Oversight

DHHS - OIG Recommendation: *We recommend that the State agency work with CMS to revise policies and procedures to ensure that services claimed have a family planning purpose.*

HHSC Management Response:

Actions Planned:

HHSC will conduct a comprehensive review of Medicaid policies and procedures related to family planning services and, following consultation with CMS and other stakeholders, make appropriate changes to ensure that services claimed have a family planning purpose.

Estimated Completion Date: March 31, 2016

Title of Responsible Person: Director, Operations Oversight
Director, Policy Development