TEXAS HEALTH AND HUMAN SERVICES COMMISSION

INSPECTOR GENERAL

SPEECH THERAPY INSPECTION

Managed Care Organization Controls for Prior Authorization, Medical Necessity Determination, and Utilization Processes

October 2, 2017
IG Report No. INS-16-002

HHSC IG

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WHY THE IG CONDUCTED THIS INSPECTION

Speech therapy services among children in Texas reflects significant taxpayer investment. The Texas Medicaid program spent over $250 million each year for children under the age of seven during 2013, 2014, and 2015. Concerns about overutilization and potential fraud, waste, and abuse prompted an inspection into whether the procedures used by MCOs to determine eligibility for speech therapy services are effective in preventing fraud, waste, and abuse. Objectives were to examine:

1. MCO controls for prior authorization
2. Best practices to strengthen controls
3. Medical necessity for authorization
4. Speech therapy utilization rates across managed care service areas

WHAT THE IG RECOMMENDS

HHSC Medicaid and CHIP Services Department should:

1. Collaborate with MCOs to ensure an understanding of the current Texas Medicaid Provider Procedure Manual policy and to determine if more specific definitions of noncompliant attendance and progress plateau are needed

WHAT THE IG FOUND

The inspection found that specific standards for prior authorization criteria for noncompliant attendance and progress plateau may not be clearly defined. Additionally, MCO service authorization standards do not include verification or monitoring of service delivery.

The inspection included on-site visits to managed care organizations (MCO) to review policy and procedures and conduct interviews with personnel involved in prior authorization and utilization management, including clinical reviewers, compliance managers and directors, physician reviewers, and speech-language pathologists (SLP). The inspection team also reviewed data analytics, healthcare policy manuals, and questionnaire responses from MCO representatives. A subject matter expert reviewed treatment records drawn from a statewide sample.

TMPPM Lacks Specific Standards for Prior Authorization Criteria

MCO policies met or exceeded the requirements for prior authorization as outlined in the Texas Medicaid Provider Procedure Manual (TMPPM). Treatment record reviews indicated that 44 percent of clients with noncompliant attendance and 77 percent of clients who had plateaued in progress continued to receive therapy services until their authorization period ended. Interviews with MCO staff indicated that past and current TMPPM policy do not clearly define noncompliant attendance and a specific timeframe for a plateau. Further, the inspection identified that MCO service authorization review standards do not include verification or monitoring of service delivery.

Sufficient Medical Necessity for Speech Therapy Authorization

All treatment records contained sufficient evidence for documenting medical necessity based on a review of by a subject matter expert.

SLPs on Staff in MCO Utilization Management Departments

Nine out of 20 MCOs reported having a SLP on staff as part of their utilization management departments.

Speech Therapy Utilization Rates Across Managed Care Service Areas

Speech therapy utilization rates examined for each managed care service area evidenced highest number of services and cost in metropolitan areas as well as in the Hidalgo service area. Percentage of the population receiving speech therapy services was highest in Bexar, El Paso, Hidalgo, and Lubbock service areas.

The HHSC Medicaid and CHIP Services Department agreed with the recommendation and is taking steps to implement, including engaging stakeholders.

INS-16-002
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INTRODUCTION

The Texas Health and Human Services Commission (HHSC) Inspector General (IG) conducted an inspection of speech therapy services provided in Texas from September 1, 2012, to August 31, 2015. The purpose of the inspection was to examine systemic vulnerabilities in Texas Medicaid speech therapy service utilization and determine whether the procedures used by managed care organizations (MCOs) to determine eligibility for speech therapy services are effective in preventing fraud, waste, and abuse.

Objective

The objectives of the inspection were to answer the following questions:

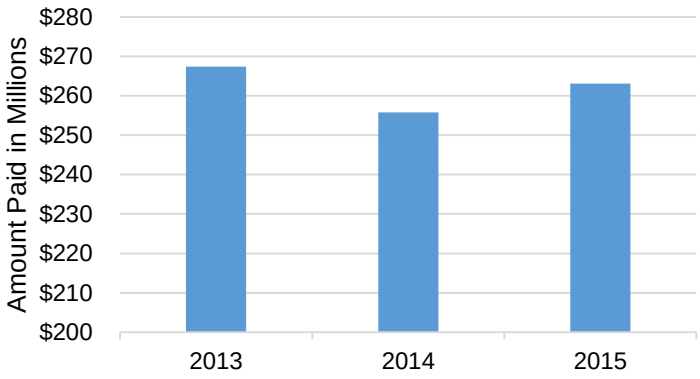
1. What controls are MCOs utilizing to ensure prior authorization of speech therapy services, and are those controls effective at preventing fraud, waste, and abuse?
2. What best practices are being used to strengthen controls and to reduce fraud, waste, and abuse in the authorization of speech therapy services?
3. Are MCOs using uniform criteria to evaluate the medical necessity of speech therapy services?
4. How do speech therapy utilization rates compare across managed care service areas (MCSA)?

Background

Speech therapy service eligibility and utilization was identified as an inspection topic due to fiscal expenditures associated with speech therapy utilization rates across Texas. HHSC and MCOs share accountability for ensuring that state and federal dollars are used to deliver cost-effective health care services to eligible Medicaid recipients. This inspection reviewed existing MCO controls, policies, and procedures that may contribute to fraud, waste, and abuse in speech therapy services.

Early identification and intervention in speech disorders increases the likelihood of treatment success. As shown in Figure 1, the Texas Medicaid program spent over $250 million on speech therapy services each year from 2013 through 2015 for children under seven years of age. The inspection focused on systemic vulnerabilities that could contribute to fraud, waste, and abuse in the delivery of speech therapy services to children under the age of seven.

Figure 1: Texas Medicaid Speech Therapy Fee-for-Service and Managed Care Expenditures for Children under 7 in FY 2013-2015



Source: Speech Therapy Utilization Report FY 2013-2015 prepared by IG Data and Technology Division

Inspection Methodology

To accomplish the objectives, the inspection team reviewed MCO manuals, prepared and analyzed questionnaires completed by the MCOs, conducted interviews during on-site visits to MCOs, and analyzed speech therapy utilization data. The inspection methodology is further detailed in Appendix A.

The inspection team reviewed individual MCO manuals for speech therapy prior authorization policies in order to select ten MCOs to respond to questionnaires about their specific prior authorization processes for speech therapy services. Questionnaire responses were analyzed to identify five MCOs for participation in on-site visits. The inspection team conducted on-site visits with the five MCOs to review policy and procedures and conduct interviews with MCO personnel. Table 1 depicts the expenditures for the MCOs visited. For additional information regarding managed care service areas, refer to Figure 2.

Speech therapy treatment records were randomly selected from the ten MCOs and were reviewed and analyzed by a licensed and certified speech-language pathologist[1] (SLP) with over 25 years of public policy and private experience working with pediatric and adult recipients.

[1] Speech-language pathologists (SLPs) are therapists educated in the study of human communication, its development, and its disorders. SLPs assess speech; language; cognitive-communication; and oral, feeding, and swallowing skills to identify types of communication problems and the best way to treat them. SLPs use a variety of strategies, including language intervention activities, articulation therapy, and oral-motor feeding and swallowing therapy to address a range of problems including articulation, fluency, voice, and receptive and expressive language disorders. Source: American Speech-Language-Hearing Association. (2016). *Scope of practice in speech-language pathology* [Scope of Practice]. Available from http://www.asha.org/policy/SP2016-00343/.

Table 1: Texas Medicaid Speech Therapy Expenditures for Children under 7 for Selected MCOs

MCO	Number of Managed Care Service Areas*	Total Expenditures FY 2013 - 2015
Community First Health Plan	1	$ 24,273,526
Driscoll Health Plan	2	$ 2,617,863
FirstCare Health Plan	2	$ 10,567,843
Superior Health Plan	10	$ 206,086,754
Texas Children's Health Plan, Inc.	2	$ 63,077,472

* See Appendix C for a list of counties in each managed care service area.

Source: Speech Therapy Utilization Report FY 2013-2015 prepared by IG Data and Technology Division

Inspection Standards

The IG Inspections Division conducts inspections of Texas Health and Human Services programs, systems, and functions. Inspections are designed to be expeditious, targeted examinations into specific programmatic areas to identify systemic trends of fraud, waste, and abuse. Inspections may be used to share best practices, promising approaches, or measure performance in order to improve the system or program. Inspections typically result in recommendations to strengthen effectiveness and efficiency. The IG Inspections Division conducted this inspection in accordance with the Quality Standards for Inspection and Evaluation issued by the Council of the Inspectors General on Integrity and Efficiency. Unless otherwise described, any year referenced is the state fiscal year, September 1 through August 31.

INSPECTION RESULTS

Medical Necessity and Best Practices

MCOs are required to follow established medical necessity criteria prior to authorizing speech therapy services. American Speech-Language-Hearing Association (ASHA) defines medical necessity as the evaluation of services to determine if they are medically appropriate and required to meet basic health needs. Medical necessity determination must be consistent with the diagnosis or condition and treatment must be rendered in a cost-effective manner and consistent with national medical practice guidelines regarding type, frequency, and duration of treatment.[2] Additionally, the Texas Administrative Code (Tex. Admin. Code) states that medically necessary services include, "…other health care services or dental services that are necessary to correct or ameliorate a defect or physical or mental illness or condition."[3]

The IG Inspections Division SLP subject matter expert reviewed 133 speech therapy records to determine whether the medical necessity requirement was appropriately documented. The review indicated that all speech therapy treatment records contained sufficient evidence that the services provided were medically necessary.

Through review of policy, procedures, and interviews, the inspection team sought to identify best practices. Several MCOs shared practices they deemed successful, although few were consistent enough across multiple MCOs in order to assess trends.

At the time of survey, nine MCOs reported having a SLP on staff as part of their utilization management departments. Across those MCOs, SLPs participated in a variety of capacities including utilization management reviews, policy development, and training procedures.

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[2] American Speech-Language-Hearing Association. (2004). *Preferred Practice Patterns for the Profession of Speech-Language Pathology* [Preferred Practice Patterns] (http://www.asha.org/uploadedFiles/PP2004-00191.pdf)

[3] 1 Tex. Admin. Code §353.2 states:

(65) Medically necessary--

(A) For Medicaid members birth through age 20, the following Texas Health Steps services:

(i) screening, vision, dental, and hearing services; and

(ii) other health care services or dental services that are necessary to correct or ameliorate a defect or physical or mental illness or condition. A determination of whether a service is necessary to correct or ameliorate a defect or physical or mental illness or condition:

(I) must comply with the requirements of a final court order that applies to the Texas Medicaid program or the Texas Medicaid managed care program as a whole; and

(II) may include consideration of other relevant factors, such as the criteria described in subparagraphs (B)(ii) - (vii) and (C)(ii) - (vii) of this paragraph.

(B) For Medicaid members over age 20, non-behavioral health services that are:

(i) reasonable and necessary to prevent illnesses or medical conditions, or provide early screening, interventions, or treatments for conditions that cause suffering or pain, cause physical deformity or limitations in function, threaten to cause or worsen a disability, cause illness or infirmity of a member, or endanger life;

(ii) provided at appropriate facilities and at the appropriate levels of care for the treatment of a member's health conditions;

(iii) consistent with health care practice guidelines and standards that are endorsed by professionally recognized health care organizations or governmental agencies;

(iv) consistent with the member's medical need;

(v) no more intrusive or restrictive than necessary to provide a proper balance of safety, effectiveness, and efficiency;

(vi) not experimental or investigative; and

(vii) not primarily for the convenience of the member or provider.

Every one of the nine MCOs reported only positive feedback since employing the SLP, ranging from self-identified cost savings to more appropriate speech therapy utilization policies and practices. Leveraging SLP knowledge and experience to ensure the highest quality of care and appropriate policy guidance may suggest that hiring a SLP as part of a utilization management department may be a promising approach.

Managed Care and Prior Authorization

MCOs are required to adhere to the Uniform Managed Care Contract (UMCC), which outlines the requirements governing the administration of Medicaid benefits. MCO provider manuals repeatedly reference the Texas Medicaid Provider Procedure Manual (TMPPM) to furnish additional information to their providers for specific Medicaid benefits, rules, and policy. While all MCOs must meet these shared standards, each MCO has the flexibility to tailor its policies and procedures, resulting in wide variability across organizations. Prior authorization is required for initiation of speech therapy services. Recertification is required to authorize the continuation of existing speech therapy services. Prior authorization functions as a control mechanism to prevent fraud, waste, and abuse of speech therapy services.

Definition of Prior Authorization
"A decision by [a] health insurer or plan that a health care service, treatment plan, prescription drug or durable medical equipment is medically necessary."[4]

Prior Authorization of Initial Services

Current regulations require a (a) physician recommendation, (b) treatment diagnosis, (c) speech evaluation results, and (d) proposed treatment plan prior to authorizing services. Once these elements are met, the MCO will approve the medically necessary therapy services for a period of initial authorization for services up to 180 days.

Recertification to Continue Services

After the 180-day initial authorization for services, recertification is required to continue the therapy treatment plan. The TMPPM stipulates that therapy services be discontinued when the recipient has (a) plateaued in response to therapy goals, or (b) demonstrated noncompliance in attendance. However, definitions for the plateau and noncompliance in attendance criteria have not been specified in the TMPPM.[5]

To achieve the inspection objective, the IG inspection team reviewed all Texas MCO provider manuals[6] for prior authorization policy. All MCO provider manuals met criteria as stated in the TMPPM, requiring prior authorization of initial evaluations.

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[4] HealthCare.gov (https://www.healthcare.gov/glossary/preauthorization/)

[5] Two criteria listed in Criteria for "Discontinuation of Therapy," TMPPM: Physical Therapy, Occupational Therapy, and Speech Therapy Services Handbook, Section 4.6:
Discontinuation of therapy may be considered in one or more of the following situations:
- Plateau in response to therapy/lack of progress towards therapy goals. Indication for therapeutic pause in treatments or, for those under age 21, transition to chronic status and maintenance therapy.
- Non-compliance due to poor attendance and with client or responsible adult, non-compliance with therapy and home treatment program.

[6] All MCO provider manuals were the most current versions at the time of the inspection and were dated prior to 2016.

The IG inspection team analyzed 133 speech therapy records from ten MCOs and determined whether the MCOs' processes for prior authorization were in accordance with their provider manuals. A review of MCO questionnaire responses indicated that a majority of MCOs implement more stringent prior authorization criteria than outlined in the TMPPM. MCO staff interviews found and confirmed that each of the five MCOs visited maintained speech therapy service prior authorization requirements that exceeded those found in the TMPPM.

Issue 1: TMPPM Lacks Specific Standards for Two Prior Authorization Criteria

A review of Medicaid speech therapy treatment records for recipients under the age of seven highlighted concerns with attendance and progress plateau. Criteria outlined by ASHA[7] states that therapy discharge may be appropriate when, "treatment no longer results in measurable benefits," and "treatment attendance has been inconsistent or poor, and efforts to address these factors have not been successful." Using criteria that specified attendance problems as two or more contiguous weeks without cancelling, rescheduling, or notifying the therapist and progress plateau as showing no gains in over four weeks of treatment, the inspection review found that:

- Forty-four percent of recipients with attendance issues continued services until their authorization period ended, and
- Seventy-seven percent of recipients who had plateaued continued to receive therapy services until their authorization period ended.

Speech therapy provider records were reviewed from the ten MCOs selected through programmatic survey responses and provider manual reviews. The MCOs with the records reviewed included: Aetna Better Health, Amerigroup, Community First Health Plans, Community Health Choice, Cook Children's Health Plan, Driscoll Children's Health Plan, FirstCare Star, Superior Health Plan, Texas Children's Health Plan, and UnitedHealthcare Community Plan. The HHSC Medicaid and CHIP Service Department (MCSD) updated the TMPPM effective May 1, 2016.[8] These changes in the requirements may have affected attendance issues noted in previous years, but the inspection scope did not provide enough time to assess the impact of those policy changes. Interviews with MCO staff indicated that past and current TMPPM policy do not clearly define noncompliance in attendance and a specific timeframe for a progress plateau.[5]

[7] ASHA.org, Admission/Discharge Criteria in Speech-Language Pathology (http://www.asha.org/policy/GL2004-00046/)
[8] "Requesting therapy Services," TMPPM: Physical Therapy, Occupational Therapy, and Speech Therapy Services Handbook, Section 4.5.5: "Missed visits may be made up within the authorization period as long as total number of visits or units authorized does not exceed the amount authorized. Provider should document reason for visits outside of the weekly or monthly frequency in the client's medical record."

Recommendation 1: Collaboration between MCSD and MCOs

The HHSC IG recommends MCSD collaborate with MCOs to ensure an understanding of the new policy outlined in the 2016 TMPPM and to determine if more specific definitions of noncompliant attendance and progress plateau are needed.

Management Response:

The Medicaid CHIP Service Department agrees with the recommendation. The Department will collaborate with MCOs to ensure an understanding of the 2016 policy as outlined in the TMPPM related to attendance and progress plateaus and determine the need for clarification.

Responsible Manager: Mary Haifley, Director, Medical Benefits
Target Implementation Date: December 2017

Issue 2: Standards Do Not Include Verification or Monitoring of Service Delivery

The TMPPM prior authorization guidelines for recertification recommends that continuation of services be denied for noncompliance in attendance and plateaued progress. The MCOs reviewed do not have a standardized process to track service delivery issues involving attendance or progress plateau. In addition, there are no uniform quality of service metrics. This lack of consistency presents challenges with assuring quality and continuity of care.

For example, several MCOs require the submission of recent progress notes with the recertification request. This strategy may be sufficient to demonstrate a continued need for services or for discontinuation of services. However, in some instances, progress notes covering a longer time period could potentially offer the MCO more complete information on such things as recipient attendance and progress to make appropriate authorization decisions.

Inspection team on-site interviews indicated that MCOs engage in variable levels of oversight to verify the delivery of services. Aside from concerns of recipient attendance, it is also possible that providers fail to meet scheduled appointments and could bill when services are not rendered. Additionally noted after a record review of providers associated with the ten identified MCOs, providers utilized SLP assistants to provide therapy to clients. However, SLP assistants are only authorized to provide therapeutic services if they are appropriately supervised by an SLP.[9] On-site interviews with MCOs revealed this practice is not currently monitored by the MCOs.

Inconsistent monitoring of recipient progress may impair the ability of MCOs to recertify only appropriate services, while a lack of service verification could lead to increased cost and potential fraud, waste, and abuse.

[9] 22 Tex. Admin. Code § 741.44 (2014)

CONCLUSION

The HHSC IG conducted an inspection of speech therapy services in Texas. The purpose of the inspection was to examine systemic vulnerabilities in Texas Medicaid speech therapy service utilization and determine whether the procedures used by managed care organizations (MCOs) to determine eligibility for speech therapy services are effective in preventing fraud, waste, and abuse.

HHSC and MCOs share accountability for ensuring that state and federal dollars are used to deliver cost-effective health care services to eligible Medicaid recipients. MCOs are responsible for appropriate authorization of speech therapy services, and are required to follow the UMCC and Texas Administrative Code.

The inspection found that all MCOs documented medical necessity according to standards. Additionally, nine MCOs reported having an SLP on staff as part of their utilization management departments.

The IG Inspections Division offered a recommendation to the HHSC Medicaid and CHIP Services Department to:

- Collaborate with MCOs to ensure an understanding of the new policy outlined in the 2016 TMPPM and to determine if more specific definitions of noncompliant attendance and progress plateau are needed.

The IG Inspections Division thanks the Medicaid and CHIP Services Department as well as management and staff at FirstCare Health Plan, Community First Health Plan, Driscoll Health Plan, Texas Children's Health Plan, and Superior Health Plan for their cooperation and assistance during this inspection.

APPENDICES

APPENDIX A: OBJECTIVE, SCOPE, AND METHODOLOGY

Purpose and Objective

The purpose of the inspection was to examine systemic vulnerabilities in Texas Medicaid speech therapy service utilization and determine whether the procedures used by managed care organizations (MCOs) to determine eligibility for speech therapy services are effective in preventing fraud, waste, and abuse. The objectives of the inspection were to answer these questions:

1. What controls are MCOs utilizing to ensure prior authorization of speech therapy services, and are those controls effective at preventing fraud, waste, and abuse?
2. What best practices are being used to strengthen controls and to reduce fraud, waste, and abuse in the authorization of speech therapy services?
3. Are MCOs using uniform criteria to evaluate the medical necessity of speech therapy services?
4. How do speech therapy utilization rates compare across managed care service areas (MCSA)?

Scope

The inspection was conducted from August 2016 through November 2016 and included speech therapy services provided in Texas during fiscal years 2013 through 2015. The IG Inspections Division focused on prior authorization policies and procedures, MCO medical necessity definitions, reviews of speech therapy records from providers contracted with selected MCOs, and interviews with MCO clinical review staff and executive management.

Methodology

To accomplish its objectives, the IG Inspections Division collected and analyzed information, conducted interviews with responsible staff at the MCOs, and:

- Requested 140 speech therapy treatment records for children under seven years of age. The treatment records were randomly selected from ten MCOs. Seven speech therapy treatment records were not received by the IG inspection team. These providers either did not respond, did not have records, or were unable to locate the record. All 133 speech therapy treatment records from 2013 through 2015 were reviewed and analyzed by the IG inspection team SLP
- Reviewed and analyzed all MCO policy manuals for prior authorization and medical necessity procedures to identify and select ten MCOs for survey and questionnaire participation
- Questionnaires submitted to MCOs assessed with a scoring matrix to determine which MCOs to include in on-site visits

- Reviewed, summarized, and considered the impact of questionnaires submitted to identify five MCOs to supplement initial interview questions
- Review, summarized, and considered the impact of interview responses from MCO clinical review staff and executive management
- Analysis of speech therapy utilization base rates and utilization adjusted to consider the population across the state's MCSAs

The IG Inspections Division issued a notification letter on September 22, 2016, to the ten selected MCOs to provide information about the inspection. An inspection announcement conference call was held on October 4, 2016, and included representatives from four of the five MCOs selected for on-site visits. On-site visits were conducted at:

- FirstCare Health Plan in Austin, Texas on October 20, 2016
- Texas Children's Health Plan in Houston, Texas on October 25, 2016
- Community First Health Plans in San Antonio, Texas on October 26, 2016
- Driscoll Health Plan in Corpus Christi, Texas on November 3, 2016
- Superior Health Plan in Austin, Texas on November 7, 2016

While on-site, the IG inspection team interviewed responsible utilization management and clinical review personnel, compliance managers and directors, physician reviewers, and SLPs. The team reviewed relevant MCO documents related to claims payment policy and procedures, recoupment policies, speech therapy claim expenditures, and MCO policy and procedure manuals, as appropriate to accomplish the inspection objectives.

The IG inspection team used the following criteria to evaluate the information provided:

- Relevancy to purpose and objective listed in directive
- Relevancy to speech therapy for children within specified age group for this inspection
- Relevant procedures in the prevention of fraud, waste, and abuse
- Relevant Standards from Tex. Admin. Code, TMPPM, and UMCC

The IG inspection team analyzed information and documentation to determine whether the processes utilized by MCOs were sufficient to determine medical necessity, to authorize speech therapy services, and to prevent fraud, waste, and abuse. Professional judgment was exercised in planning, executing, and reporting the results of this inspection.

Limitations

The inspection focused on speech therapy services for children under seven and, therefore, recommends caution when generalizing the results of this inspection to other age groups. Treatment records reviewed were selected at random and did not use a statistically valid random sampling methodology for the purpose of extrapolation. Site visits and follow-up correspondence included only a small percentage of Medicaid contracted MCOs.

Standards

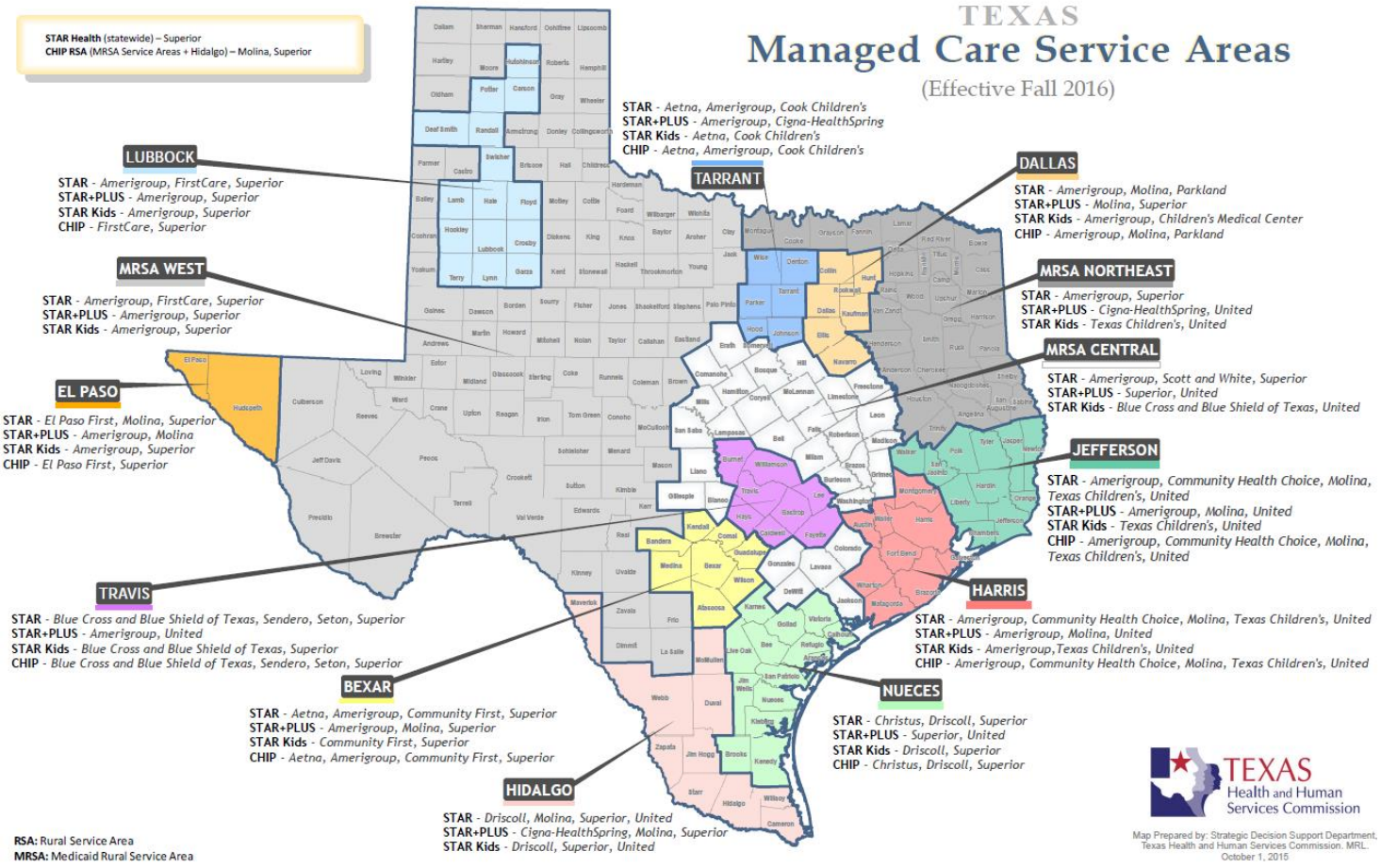
The IG Inspections Division conducted the inspection in accordance with Quality Standards for Inspection and Evaluation issued by the Council of the Inspectors General on Integrity and Efficiency. Those standards require that due professional judgment be used in planning and performing inspections and in reporting the results; and that evidence supporting inspection observations, conclusions, and recommendations be sufficient, competent, and relevant, and lead a reasonable person to sustain the observations, conclusions, and recommendations. The IG Inspections Division believes that the evidence obtained provides a reasonable basis for the issues and recommendations based on inspection objectives.

APPENDIX B: SPEECH THERAPY UTILIZATION PATTERNS ACROSS MANAGED CARE SERVICE AREAS

The IG inspection team compared the Medicaid speech therapy utilization rates across managed care service areas (MCSA) in Texas. Inspectors examined utilization patterns for children under seven including the utilization base rate and utilization adjusted to consider the population. Utilization base rate looks at the total speech therapy services provided in any given area. Areas with higher populations tend to have a higher utilization base rate. Utilization adjusted for population looks at total speech therapy services provided as a percentage of the total population in that area.

Medicaid fee-for-service and managed care claims from 2013 through 2015 for children under seven were gathered, analyzed, and grouped by MCSA. See Figure 2 for a map of the MCSAs. For a detailed list of counties included in each MCSA, see Appendix C.

Figure 2: Texas Managed Care Service Area Map

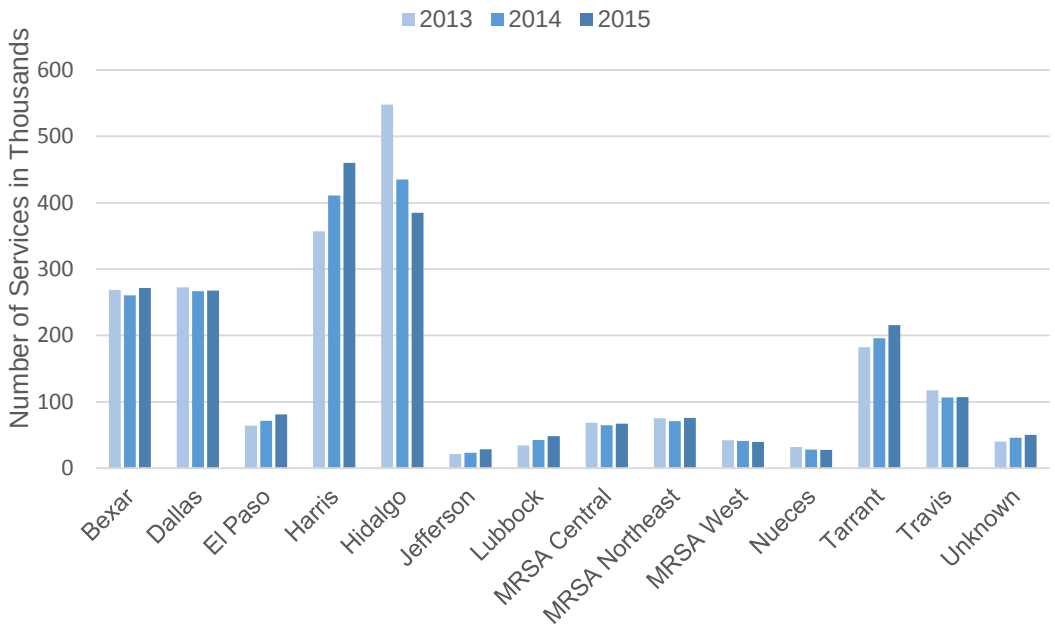


Source: Texas Health and Human Services Commission

Highest Utilization Base Rates in Bexar, Dallas, Harris, Hidalgo, and Tarrant Service Areas

There is a higher utilization base rate for speech therapy services for children under seven, as measured by the total number of speech therapy services, from 2013 through 2015 in Bexar, Dallas, Harris, Hidalgo, and Tarrant MCSAs. See Figure 3. These regions include the metropolitan areas of Dallas, Fort Worth, Houston, and San Antonio. The Hidalgo service area had a high utilization base rate despite not being considered a large metropolitan area.

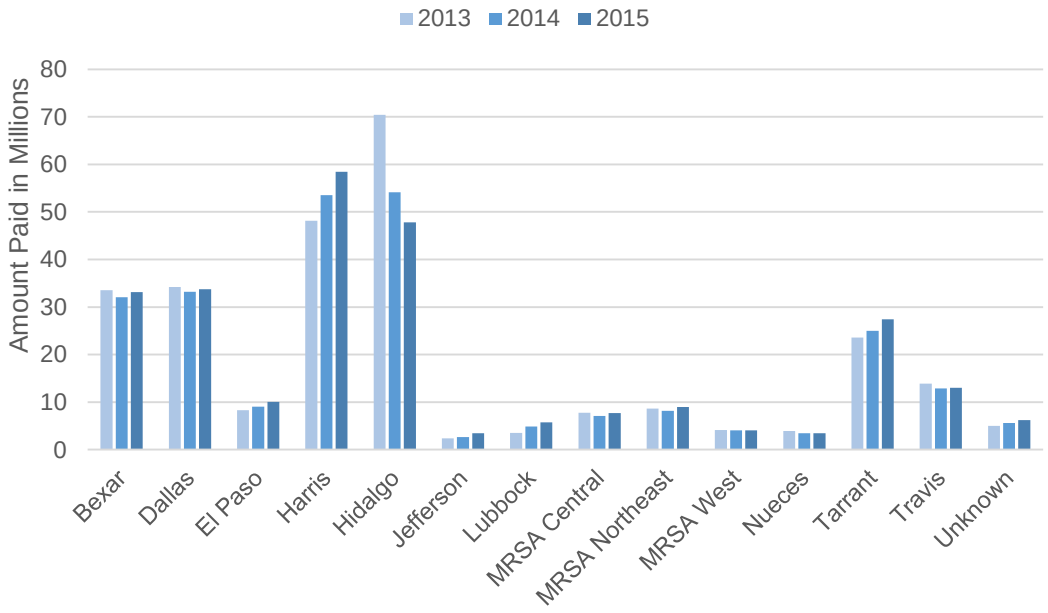
Figure 3: Medicaid Speech Therapy Services by Managed Care Service Areas for Children under 7 from 2013 through 2015



Source: Speech Therapy Utilization Report FY 2013-2015 prepared by IG Data and Technology Division

The higher utilization base rate for Medicaid speech therapy services in Bexar, Dallas, Harris, Hidalgo, and Tarrant service areas was also reflected in the total amounts paid for those services. Figure 4 shows the pattern of total payments for speech therapy services from 2013 through 2015.

Figure 4: Medicaid Speech Therapy Service Expenditures by Managed Care Service Area for Children under 7 from 2013 through 2015



Source: Speech Therapy Utilization Report FY 2013-2015 prepared by IG Data and Technology Division

Table 3 provides a detailed breakdown of the total Medicaid speech therapy expenditures shown above in Figure 4.

Table 3: Medicaid Speech Therapy Service Expenditures by Managed Care Service Area for Children under 7 from 2013 through 2015

Managed Care Service Area	2013	2014	2015
Bexar	$33,550,730	$32,090,574	$33,117,674
Dallas	$34,249,321	$33,201,840	$33,736,002
El Paso	$8,315,027	$9,032,966	$10,036,547
Harris	$48,132,177	$53,518,343	$58,460,030
Hidalgo	$70,383,636	$54,158,358	$47,793,913
Jefferson	$2,357,211	$2,676,035	$3,432,974
Lubbock	$3,510,126	$4,854,424	$5,746,129
MRSA Central	$7,783,526	$7,104,141	$7,699,279
MRSA Northeast	$8,618,909	$8,166,436	$8,954,079
MRSA West	$4,106,544	$4,072,246	$4,065,411
Nueces	$3,903,130	$3,478,001	$3,439,650
Tarrant	$23,563,178	$25,016,062	$27,392,985
Travis	$13,901,773	$12,851,752	$12,987,225
Unknown	$4,986,135	$5,584,779	$6,201,709

Source: Speech Therapy Utilization Report FY 2013-2015 prepared by IG Data and Technology Division

From 2013 through 2015, the majority of payments for Medicaid speech therapy services were for children under seven. Table 4 shows the breakdown of speech therapy expenditures by age. Overall, 26 percent of speech therapy services were for children under 3, and 74 percent were for children age 3 to 7.

Table 4: Medicaid Speech Therapy Service Expenditures by Age Group from 2013 through 2015

Age	2013	2014	2015	Total
0 to < 3	$65,536,831	$61,919,660	$63,907,851	$191,364,342
3 to ≤ 7	$201,823,912	$193,876,412	$199,140,312	$594,840,635
Total	$267,360,743	$255,796,072	$263,048,162	$786,204,977

Source: Speech Therapy Utilization Report FY 2013-2015 prepared by IG Data and Technology Division

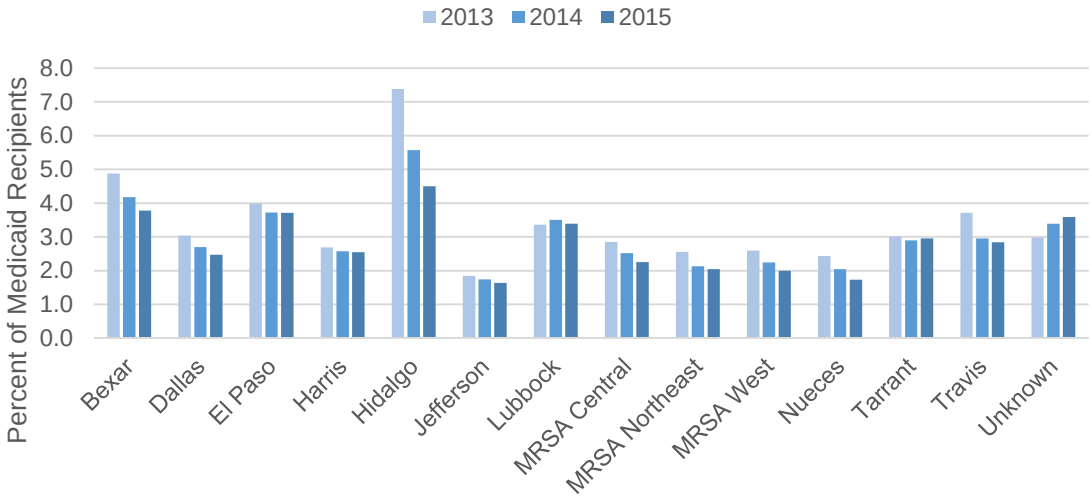
Highest Population Utilization in Managed Care Service Areas of Bexar, El Paso, Hidalgo, and Lubbock.

With speech therapy service utilization higher in the metropolitan areas, the IG Inspections Division assessed whether this was due to the larger Medicaid recipient populations in those areas. An analysis was performed to adjust for population density and examined the proportion of Medicaid recipients under seven receiving speech therapy services in each area.

The analysis found the higher utilization base rates were in part a result of larger Medicaid-eligible population of children under seven in these metropolitan areas. For example, the Harris service area has a high utilization base rate for number of services and expenditures. However, the percentage (2.5 to 2.7 percent) of Medicaid recipients receiving speech therapy services is not elevated when compared to other service areas.

The Hidalgo service area, once utilization was adjusted for population, had the highest speech therapy utilization rate when compared to all service areas in the state for the inspection period. As shown in Figure 5, speech therapy utilization rates in most service areas declined from 2013 to 2015. In the Hidalgo service area, the rate declined from 7.4 percent in 2013 to 4.5 percent in 2015, or in 2013, 7.4 percent of all Medicaid recipients under seven were receiving speech therapy services, and 4.5 percent in 2015 were receiving speech therapy services in the Hidalgo service area. The service areas with the highest 2015 speech therapy utilization rates adjusted to population were Bexar, El Paso, Hidalgo, and Lubbock.

Figure 5. Medicaid Speech Therapy Utilization Rates Adjusted for Medicaid Population by Managed Care Service Area for Children under 7 from 2013 through 2015



Source: Speech Therapy Utilization Report FY 2013-2015 prepared by IG Data and Technology Division

Table 5 provides a detailed breakdown of the population-based Medicaid speech therapy utilization rates shown above in Figure 5.

Table 5: Speech Therapy Utilization Rates Adjusted for Medicaid Population by Managed Care Service Area for Children under 7 from 2013 through 2015

	Percent of Medicaid Enrollees Receiving Speech Therapy Services		
Managed Care Service Area	2013	2014	2015
Bexar	4.9	4.2	4.8
Dallas	3.0	2.7	2.5
El Paso	4.0	3.7	3.7
Harris	2.7	2.6	2.5
Hidalgo	7.4	5.6	4.5
Jefferson	1.8	1.7	1.6
Lubbock	3.4	3.5	3.4
MRSA Central	2.8	2.5	2.3
MRSA Northeast	2.6	2.1	2.0
MRSA West	2.6	2.2	2.0
Nueces	2.4	2.0	1.7
Tarrant	3.0	2.9	3.0
Travis	3.7	3.0	2.8
Unknown	3.0	3.4	3.6

Source: Speech Therapy Utilization Report FY 2013-2015 prepared by IG Data and Technology Division

Summary of Utilization Rate Analysis

Certain areas of Texas have higher utilization rates of speech therapy services. Figures 3 and 4 illustrate higher expenditures of speech therapy services in Bexar, Dallas, Harris, Hidalgo, and Tarrant service areas. When adjusted for the Medicaid population receiving speech therapy services, Figure 5 shows Bexar, El Paso, Hidalgo, and Lubbock have high percentages of the Medicaid population that receive speech therapy services.

APPENDIX C: MANAGED CARE SERVICE AREAS BY COUNTY

Managed Care Service Area	Counties Served
Lubbock MCSA	Carson, Crosby, Deaf Smith, Floyd, Garza, Hale, Hockley, Hutchinson, Lamb, Lubbock, Lynn, Potter, Randall, Swisher, Terry
Medicaid Rural Service Area (MRSA) West	Armstrong, Archer, Andrews, Bailey, Baylor, Briscoe, Brewster, Borden, Brown, Callahan, Castro, Cochran, Childress, Clay, Coke, Collingsworth, Coleman, Concho, Cottle, Crane, Crockett, Culberson, Dallam,. Dawson, Deaf Smith, Dickens, Dimmit, Donley, Eastland, Ector, Edwards, Fisher, Foard, Frio, Gaines, Glasscock, Gray, Hall, Hansford, Hardeman, Hartley, Haskell, Hemphill, Howard, Irion, Jack, Jeff Davis, Jones, Kent, King, Knox, Kerr, Kimble, Kinney, La Salle, Lipscomb, Loving, Martin, Mason, Menard, McCulloch, Midland, Mitchell, Moore, Motley, Nolan, Ochiltree, Oldham, Palo Pinto, Parmer, Pecos, Presidio, Reagan, Real, Reeves, Roberts, Runnels, Schleicher, Scurry, Shackelford, Sherman, Stephens, Sterling, Stonewall, Sutton, Taylor, Terrell, Throckmorton, Tom Green, Upton, Uvalde, Val Verde, Ward, Wheeler, Wichita, Wilbarger, Winkler, Yoakum, Young, Zavala,
Tarrant MCSA	Denton, Hood, Johnson, Parker, Tarrant, Wise
Dallas MCSA	Collin, Dallas, Ellis, Hunt, Kaufman, Navarro, Rockwell
MRSA Northeast	Angelina, Anderson, Bowie, Cass, Camp, Cherokee, Cooke, Delta, Fannin, Franklin, Grayson, Gregg, Harrison, Henderson, Hopkins, Houston, Lamar, Marion, Morris Montague, Nacogdoches, Panola, Rains, Red River, Rusk, Sabine, San Augustine, Shelby, Smith, Titus, Trinity, Upshur, Van Zandt, Wood
MRSA Central	Bell, Blanco, Bosque, Brazos, Burleson, Colorado, Coryell, Comanche, DeWitt, Erath, Falls, Freestone, Gillespie, Gonzales, Grimes, Hamilton, Hill, Jackson, Lampasas, Lavaca, Leon, Limestone, Llano, Madison, McLennan, Milam, Mills, Robertson, San Saba, Somervell, Washington
Jefferson MCSA	Chambers, Hardin, Jasper, Jefferson, Liberty, Newton, Orange, Polk, San Jacinto, Tyler, Walker
Harris MCSA	Austin, Brazoria, Fort Vend, Galveston, Harris
Nueces MCSA	Aransas, Bee, Brooks, Calhoun, Goliad, Jim Wells, Karnes, Kennedy, Kleberg, Live Oak, Nueces, Refugio, San Patricio, Victoria
Hidalgo MCSA	Cameron, Duval, Hidalgo, Jim Hogg, Maverick, McMullen, Starr, Webb, Willacy, Zapata
Bexar MCSA	Atascosa, Bandera, Bexar, Comal, Guadalupe, Kendall, Medina, Wilson
Travis MCSA	Bastrop, Burnet, Caldwell, Fayette, Hays, Lee, Travis, Williamson
El Paso MCSA	El Paso, Hudspeth

APPENDIX D: REPORT TEAM AND REPORT DISTRIBUTION

Report Team

The IG staff members who contributed to this Inspections Division report include:

- Lisa Pietrzyk, CFE, CGAP, Director of Inspections
- Xavier Ortiz, Manager of Inspections
- Dora Fogle, RS, MPH, Inspections Team Lead
- Robin Zenon, RN, CPC, Inspector
- Jill Townsend, Inspector
- Shobha Yedatore, MA CCC-SLP, Speech-Language Pathologist
- Liviah Manning, Ph.D., Research Specialist

Report Distribution

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- Jami Snyder, Associate Commissioner, Medicaid and CHIP Services
- Tony Owens, Deputy Director, Health Plan Monitoring and Contract Services, Medicaid and CHIP Services Department
- Grace Windbigler, Director, Health Plan Management, Medicaid and CHIP Services Department
- Karin Hill, Director, Internal Audit
- Tamela Griffin, Interim Deputy Associate Commissioner of Policy and Program, Medicaid and CHIP Services Department
- Rajendra Parikh, M.D. MBA, CPE, Medical Director, Office of the Medical Director, Medicaid and CHIP Services Department

APPENDIX E: IG MISSION AND CONTACT INFORMATION

Inspector General Mission

The mission of the IG 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 IG's mission and statutory responsibility includes:

- Sylvia Hernandez Kauffman, Principal Deputy Inspector General
- Christine Maldonado, Chief of Staff and Deputy IG for Operations
- Olga Rodriguez, Senior Advisor and Director of Policy and Publications
- Roland Luna, Deputy IG for Investigations
- David Griffith, Deputy IG for Audit
- Quinton Arnold, Deputy IG for Inspections
- Alan Scantlen, Deputy IG for Data and Technology
- Judy Knobloch, Interim Deputy IG for Medical Services
- Anita D'Souza, Chief Counsel

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- Online: https://oig.hhsc.texas.gov/report-fraud
- Phone: 1-800-436-6184

To Contact the Inspector General

- Email: OIGCommunications@hhsc.state.tx.us
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