Reminder: Providers May be Subject to Utilization Control – Prepayment Review

Information posted May 16, 2014

As a reminder, Texas Medicaid providers are subject to utilization review monitoring to safeguard against the delivery of unnecessary services, to monitor quality, and to ensure payments are appropriate according to Texas Medicaid policies, rules, and regulations.

At the direction of the Health and Human Services Commission (HHSC) Office of Inspector General (OIG), a provider’s claims may be manually reviewed before payment.

Parameters are developed for prepayment review based on the specific areas of concern identified in each case. As part of the prepayment review process, providers are required to submit paper claims, rather than electronic claims, along with supporting medical record documentation (e.g., clinical notes, progress notes, diagnostic testing results, other reports, superbills, X-rays, and any related medical record documentation) attached to each claim for all services billed. This documentation is used to ascertain whether the services billed were medically necessary and billed appropriately according to Texas Medicaid requirements and policies. Services inconsistent with Texas Medicaid requirements and policies are adjudicated accordingly. Claims submitted initially without the supporting medical record documentation will be denied.

HHSC OIG does not consider additional medical record documentation submitted by the provider for claims denied as a result of the prepayment review process. A provider is removed from prepayment review only when determined appropriate by the HHSC OIG. Once removed from prepayment review, a follow-up assessment of the provider’s subsequent practice patterns is performed to monitor and ensure continued appropriate use of resources.

Noncompliant providers are subject to administrative sanctions up to and including exclusion and contract cancellation, as deemed appropriate by the HHSC OIG as defined in the rules in 1 TAC §371.1701, 371.1703, 371.1705, 371.1707, 371.1709, 371.1711, 371.1713, and 371.1715.

Providers placed on prepayment review must submit all paper claims and supporting medical record documentation to the following address:

Texas Medicaid & Healthcare Partnership
Attention: Prepayment Review MC-A11 SURS
PO Box 203638
Austin, Texas 78720-3638

Providers are encouraged to share this information with other health-care providers within the same practice and with other staff members.

Providers can refer to the Texas Medicaid Provider Procedures Manual, Section 1, “Provider Enrollment and Responsibilities,” Subsection 1.6.7, “Utilization Control-General Responsibilities” for more information.

For more information, call the TMHP Contact Center at 1-800-925-9126.