



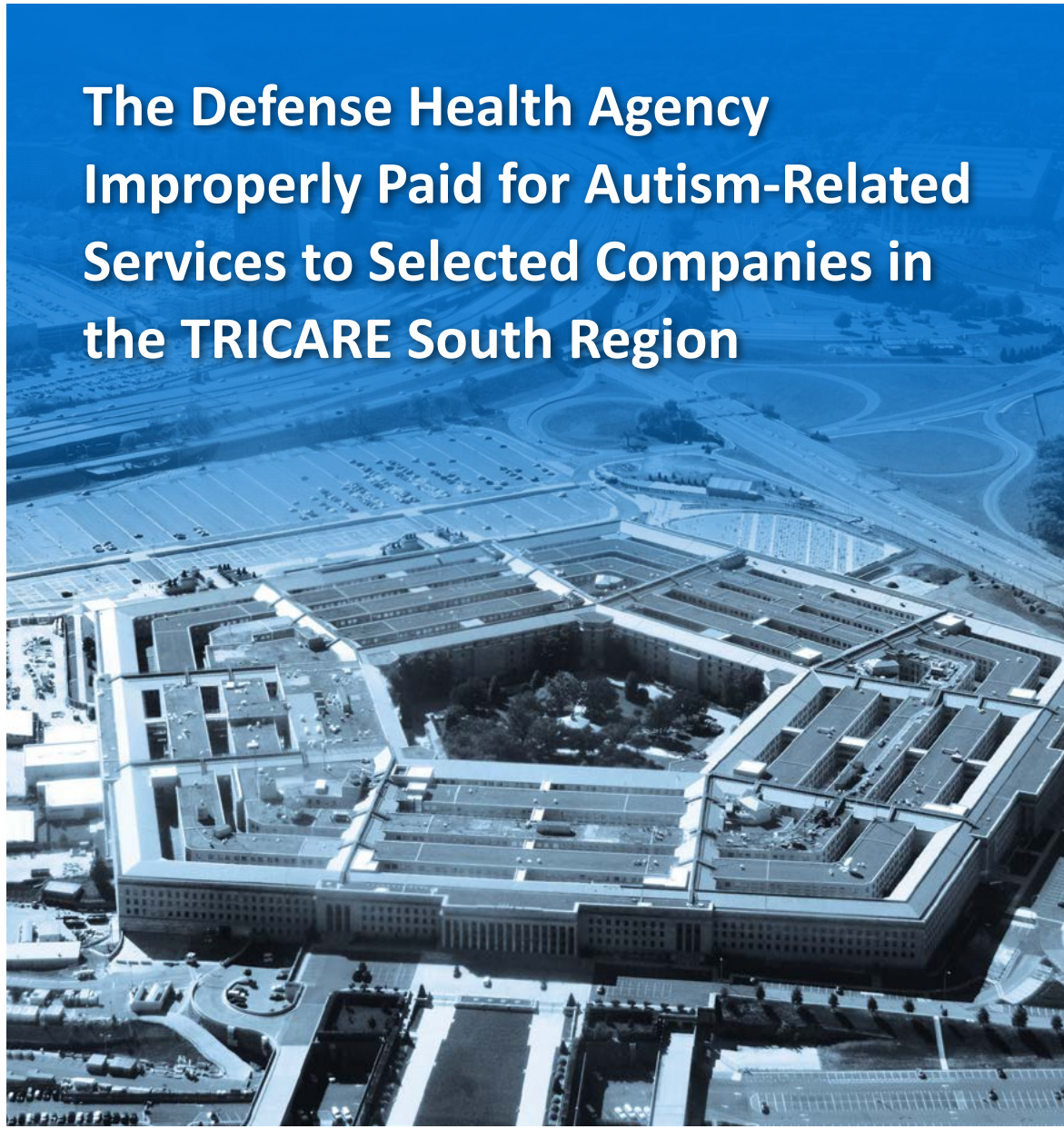
INSPECTOR GENERAL

U.S. Department of Defense

MARCH 10, 2017



The Defense Health Agency Improperly Paid for Autism-Related Services to Selected Companies in the TRICARE South Region



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Results in Brief

The Defense Health Agency Improperly Paid for Autism-Related Services to Selected Companies in the TRICARE South Region

March 10, 2017

Objective

Our objective was to determine whether the DoD appropriately paid for autism services in the TRICARE South Region. We focused on one-on-one applied behavior analysis (ABA) interventions¹ (hereafter referred to as ABA services) across five nonstatistically selected ABA companies within the same geographic area in the TRICARE South Region that generally billed at the highest possible rate. Payments to the five companies were valued at \$3.1 million of the total \$71.2 million paid to all ABA companies for ABA services provided in the TRICARE South Region during CY 2015.

Background

TRICARE is the DoD's managed health care program for active duty service members, retirees, and their family members. The Defense Health Agency (DHA) manages the TRICARE program. For eligible beneficiaries diagnosed with autism spectrum disorder, TRICARE provides reimbursement for ABA and related services.

Finding

The DHA made improper payments for ABA services to five ABA companies in the TRICARE South Region. Specifically, the ABA companies billed, and the DHA improperly paid for, ABA services under the following conditions:

- lack of documentation to support ABA services;

¹ ABA interventions are methods delivered by ABA providers during one-on-one, face to face, in person interactions to beneficiaries affected by the autism spectrum disorder.

Finding (cont'd)

- misrepresentation of the provider who performed the ABA services;
- billing for ABA services provided while the beneficiary was napping;
- billing for two services at the same time;
- unreliable supporting documentation;
- billing for services while the beneficiary was not present; and
- billing for services performed by providers who were not authorized by TRICARE.

DHA personnel made improper payments because when DHA and contractor personnel selected ABA companies for review, they did not consider that certain indicators may help to identify improper payments, such as a high percentage of claims billed at the ABA supervisor rate, the highest rate. As a result, we project that the DHA improperly paid \$1.9 million of the total \$3.1 million paid to the five companies for ABA services performed in CY 2015.

Recommendations

We recommend that the Director, DHA:

- conduct comprehensive medical reviews of ABA companies in the TRICARE South Region that have specific indicators of improper payments, and
- review claims from the five ABA companies in our sample and provide the results of the review to the DHA Program Integrity Office for appropriate action.

Management Comments Required

The Director, Defense Health Agency, did not respond to the recommendations in the report; therefore, we consider the recommendations unresolved. We request that the Director provide comments on the final report. To resolve and close these recommendations, DHA will need to demonstrate that it reviewed ABA companies that have specific indicators of improper payments, including the five ABA companies in our sample, and took appropriate action, such as recouping any overpayments.

Recommendations Table

Management	Recommendations Unresolved	Recommendations Resolved	Recommendations Closed
Director, Defense Health Agency	1.a, 1.b		

Please provide Management Comments by April 10, 2017.

The following categories are used to describe agency management's comments to individual recommendations.

- **Unresolved** – Management has not agreed to implement the recommendation or has not proposed actions that will address the recommendation.
- **Resolved** – Management agreed to implement the recommendation or has proposed actions that will address the underlying finding that generated the recommendation.
- **Closed** – OIG verified that the agreed upon corrective actions were implemented.



**INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
4800 MARK CENTER DRIVE
ALEXANDRIA, VIRGINIA 22350-1500**

March 10, 2017

MEMORANDUM FOR DIRECTOR, DEFENSE HEALTH AGENCY

SUBJECT: The Defense Health Agency Improperly Paid for Autism-Related Services to Selected Companies in the TRICARE South Region (Report No. DODIG-2017-064)

We are providing this report for review and comment. The Director, Defense Health Agency, did not respond to the recommendations in the draft report. We project that the Defense Health Agency improperly paid \$1.9 million of the total \$3.1 million paid to the five companies that we reviewed for applied behavior analysis services performed in CY 2015. We conducted this audit in accordance with generally accepted government auditing standards.

DoD Instruction 7650.03 requires that recommendations be resolved promptly. Please provide comments that state whether you agree or disagree with the finding and recommendations. If you agree with our recommendations, describe what actions you have taken or plan to take to accomplish the recommendations and include the actual or planned completion dates of your actions. If you disagree with the recommendations or any part of them, please give specific reasons why you disagree and propose alternative action if that is appropriate. You should also comment on the internal control weakness discussed in the report. You must also comment on the potential monetary benefit. If you disagree with the potential monetary benefit, identify the amount and the reason for which you disagree.

We should receive your comments by April 10, 2017. Please send a PDF file containing your comments to audyorktown@dodig.mil. Copies of your comments must have the actual signature of the authorizing official for your organization. We cannot accept the /Signed/ symbol in place of the actual signature. If you arrange to send classified comments electronically, you must send them over the SECRET Internet Protocol Router Network (SIPRNET).

We appreciate the courtesies extended to the staff. Please direct questions to me at (703) 604-9187.

A handwritten signature in blue ink, appearing to read "MJR", is located below the text of the memorandum.

Michael J. Roark
Assistant Inspector General
Contract Management and Payments

Contents

Introduction

Objective	1
Background	1
Review of Internal Controls	6

Finding. DHA Made Improper Payments to Selected ABA Companies

	7
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DHA Made Improper Payments for ABA Services to Five ABA Companies in the TRICARE South Region	7
DHA Did Not Review Certain Indicators When Selecting ABA Companies for Review	13
Conclusion	15
Recommendations	15
Management Comments Required	16

Appendixes

Appendix A. Scope and Methodology	17
Use of Computer-Processed Data	18
Use of Technical Assistance	19
Prior Coverage	19
Appendix B. Summary of Potential Monetary Benefits	20
Appendix C. Summary of Projection Methodology for South Region Autism Therapy Claims	21

Acronyms and Abbreviations

	24
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Introduction

Objective

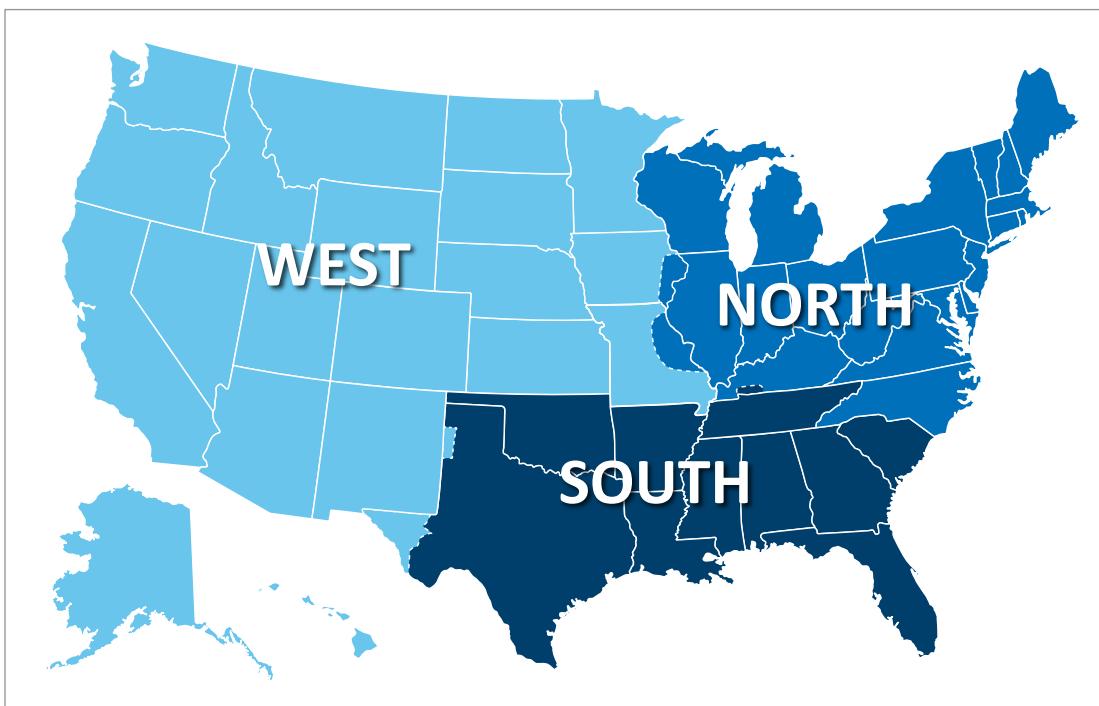
We determined whether the DoD appropriately paid for autism services in the TRICARE South Region. We focused on one-on-one applied behavior analysis (ABA) interventions (hereafter referred to as ABA services) across five ABA companies within the same geographic area in the TRICARE South Region that generally billed at the highest possible rate. The DHA paid 12,289 claim line items, valued at \$3.1 million, to these five ABA companies in CY 2015 for ABA services. See Appendix A for a discussion of the scope and methodology.

Background

The TRICARE Program and the Defense Health Agency

TRICARE is the DoD's managed health care program for active duty service members, active duty family members, survivors, retirees, and their family members. TRICARE is a combination of military hospitals and clinics and the Civilian Health and Medical Program of the Uniformed Services. The TRICARE program provides health care services to beneficiaries throughout the United States in the North, South, and West health service regions, as well as overseas. Figure 1 shows the TRICARE regions in the United States.

Figure 1. TRICARE Regions in the United States



The Defense Health Agency (DHA), an agency under the direction of the Assistant Secretary of Defense (Health Affairs), manages the TRICARE program. DHA contracting officials awarded the TRICARE South Region managed care support contract on March 3, 2011, to Humana Military Healthcare Services, Inc.² The total potential contract value, including the approximate 10-month base period and five one-year option periods for the health care delivery, plus a transition-out period, is estimated at \$23.5 billion.

DoD Comprehensive Autism Care Demonstration

Autism spectrum disorder (ASD) affects behaviors, such as social interaction, the ability to communicate ideas and feelings, imagination, and the establishment of relationships with others.³ One treatment for ASD is applied behavior analysis—the design, implementation, and evaluation of environmental modifications to produce socially significant modification in behavior. The DHA initiated the DoD Comprehensive Autism Care Demonstration, effective July 25, 2014 through December 31, 2018, to combine all TRICARE-covered ABA services under one program and provide reimbursement for ABA and related services to TRICARE eligible beneficiaries diagnosed with ASD. Figure 2 shows a one-on-one ABA therapy session.

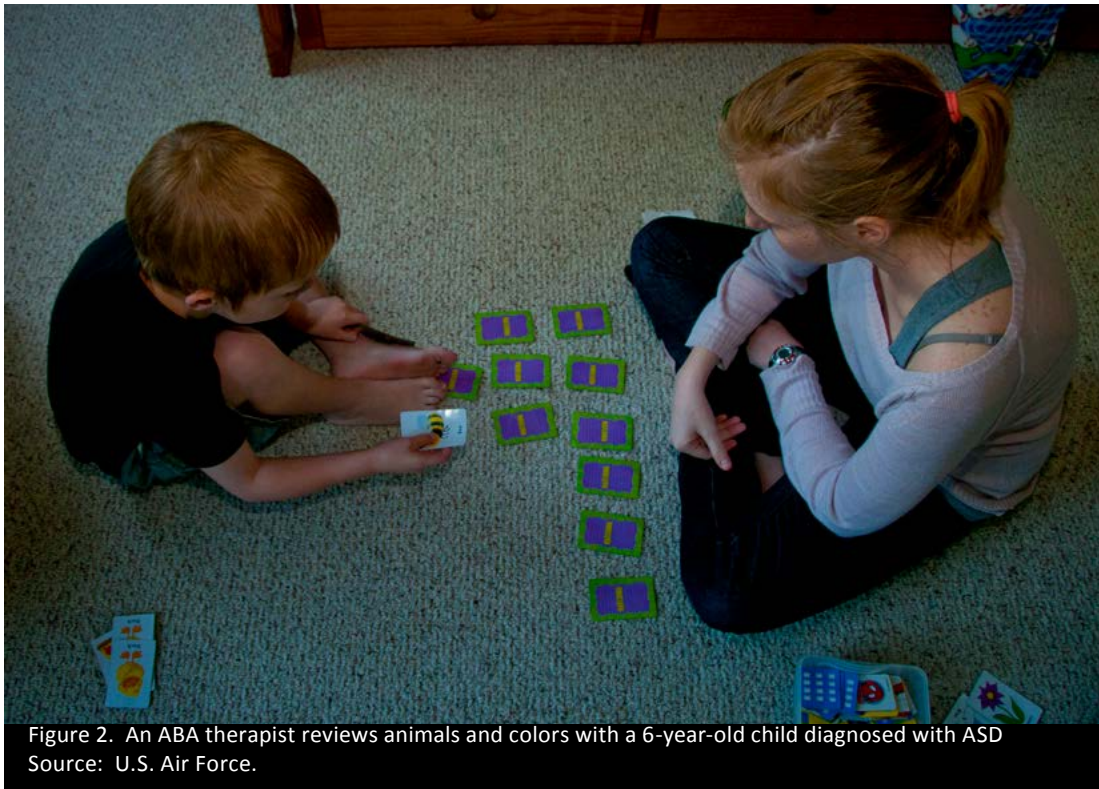


Figure 2. An ABA therapist reviews animals and colors with a 6-year-old child diagnosed with ASD
Source: U.S. Air Force.

² Contract HT9402-11-C-0003.

³ TRICARE Operations Manual (TOM) 6010.56-M, February 1, 2008, chapter 18, section 18, C-154.

Reimbursement of Autism Therapy Services

According to TRICARE guidance, before TRICARE covers ABA services, the beneficiary must be diagnosed with ASD and issued a referral for ABA by a TRICARE-authorized Physician-Primary Care Manager or by a specialized ASD diagnosing health care provider.⁴ Upon receipt of the referral, the TRICARE South Region contractor issues an authorization for 6 months of ABA services. Based on the referral request, the contractor must identify a specific TRICARE-authorized ABA supervisor⁵ with an opening to accept the TRICARE beneficiary. ABA supervisors conduct assessments to formulate individualized ABA treatment plans. TRICARE guidance states, “an ABA assessment shall include data obtained from multiple methods to include direct observation, the measurement, and recording of behavior.”⁶ An authorized ABA supervisor designs and supervises a treatment plan delivered by an assistant behavior analyst or behavior technician (BT).⁷

The DoD Comprehensive Autism Care Demonstration covers ABA services given by an authorized ABA supervisor, such as ABA assessment, treatment plan development and updates, and direct one-on-one ABA services, and covers certain services provided by the assistant behavior analyst, such as duties delegated by an authorized ABA supervisor. BTs can also provide one-on-one ABA services under the supervision of an authorized ABA supervisor. While ABA supervisors are permitted to perform direct one-on-one ABA services, the assistant behavior analysts and the BTs provide most of the ABA services, according to TRICARE guidance.

The DoD Comprehensive Autism Care Demonstration established the following reimbursement rates for direct one-on-one therapy interventions provided during CY 2015:

- Authorized ABA supervisors – \$62.50 per 30 minutes;
- Assistant behavior analysts – \$37.50 per 30 minutes; and
- BTs – \$25.00 per 30 minutes.

⁴ TOM 6010.56-M, February 1, 2008, chapter 18, section 18, C-154.

⁵ An authorized ABA supervisor, whether or not currently supervising, is defined as a Board Certified Behavior Analyst, Board Certified Behavior Analyst-Doctorate, or other TRICARE-authorized ABA provider practicing within the scope of state licensure or state certification.

⁶ TOM 6010.56-M, February 1, 2008, chapter 18, section 18, C-154.

⁷ An assistant behavior analyst is a supervised bachelor degree-level behavior specialist who provides ABA services under the supervision of an authorized ABA supervisor. The DHA requires all assistant behavior analysts to obtain certification as a Board Certified Assistant Behavior Analyst or a Qualified Autism Services Practitioner. A BT is a supervised ABA team member who meets specified training requirements. The DHA requires all BTs to obtain certification as a Registered Behavior Technician or an applied behavior analysis Technician by December 31, 2016, and certification as a Registered Behavior Technician or an applied behavior analysis Technician by December 31, 2016.

TRICARE guidance lists several exclusions for allowed ABA services.⁸ For example, designated ABA companies⁹ may not bill the TRICARE program for: (1) custodian, personal care, and/or child care and (2) multiple ABA providers during one ABA session with a child when more than one ABA provider is present (concurrent billing).

ABA companies submit claims to the TRICARE South Region contractor. Generally, health care companies (including ABA companies) are not required to submit patient medical records, such as ABA session notes, as supporting documentation when submitting claims. However, DHA contractor personnel may request a medical record from an ABA company to verify that services were performed appropriately.

TRICARE guidance¹⁰ specifically states what the ABA companies must include in their ABA session notes, such as:

- date and time of the therapy session;
- length of the therapy session;
- content of the therapy session; and
- a statement summarizing the therapeutic intervention attempted during the therapy session.

TRICARE guidance also requires all medical record entries, including paper-based and computerized or electronic entries, be dated and authenticated, and a method must be established to identify the authors of the entries.¹¹ Failure to adequately document medical care will result in services being denied.

TRICARE guidance requires that the DHA contractor perform quality monitoring and oversight.¹² This oversight should include reviews to identify:

- fraudulent billing practices;
- missing ABA referrals from authorized referring providers; and
- missing required medical record documentation.

⁸ TOM 6010.56-M, February 1, 2008, chapter 18, section 18, C-154.

⁹ A provider is “a hospital or other institutional provider, a physician, or other individual professional provider, or other provider of services or supplies,” according to title 32, Code of Federal Regulations, Appendix B, “Definitions” (2016). In this report, we refer to the organizations that employ and bill for individual professional providers as ABA companies. We refer to individual professional providers as providers.

¹⁰ TOM 6010.56-M, February 1, 2008, chapter 18, section 18, C-154.

¹¹ TRICARE Policy Manual 6010.60-M, April 1, 2015, chapter 1, section 5.1.

¹² TOM 6010.56-M, February 1, 2008, chapter 18, section 18, C-154.

Five ABA Companies Selected for Review

We nonstatistically selected five ABA companies within the same geographic area in the TRICARE South Region that generally billed at the highest possible rate, as shown in Table 1. The DHA paid 12,289 claim line items,¹³ valued at \$3.1 million, to the five companies in CY 2015 for ABA services.

Table 1. ABA Companies Selected for Review

ABA Companies	Amount Billed	Amount Paid	Percentage of Claim Line Items Billed at the Highest Rate
A	\$1,092,862.50	\$1,084,768.52	99.2%
B	\$589,259.50	\$573,753.85	91.1%
C	\$498,711.40	\$490,303.54	96.9%
D	\$521,097.93	\$424,725.75	98.9%
E	\$498,523.00	\$491,428.17	76.4%
Totals	\$3,200,454.33	\$3,064,979.83	97.9%

For each of the five ABA companies, we identified claim line items for ABA services billed under Current Procedural Terminology (CPT®) codes 0364T and 0365T, as these two procedure codes represented the majority of dollars spent within CY 2015.¹⁴ Of the 12,289 claim line items we identified for these two procedure codes, we statistically selected 205 claim line items for ABA services performed by the five ABA companies.¹⁵ We visited the ABA companies and requested the session notes to support the ABA services for each claim line item in our sample. We compared the session notes to the ABA company bills to determine whether the DHA paid appropriately.

Guidance on Improper Payments

Federal guidance defines an improper payment as “any payment that should not have been made or that was made in an incorrect amount under statutory, contractual, administrative, or other legally applicable requirements.”¹⁶ The guidance also states that a payment must be considered an improper payment

¹³ Health care claims data are made up of multiple claim line items. For example, one claim may have four claim line items. Each line item may represent a different date of service or a different procedure that a provider performed.

¹⁴ CPT® is a list of descriptive terms and identifying codes for reporting medical services and procedures performed by physicians, according to the American Medical Association. CPT 0364T is coded for the initial 30 minutes of ABA treatment plan protocol interventions provided during one-on-one therapy with the beneficiary, and CPT 0365T is coded for each additional 30 minutes. ABA interventions are methods delivered by ABA providers during one-on-one, face to face, in person interactions to beneficiaries affected by the autism spectrum disorder. TOM 6010.56-M, February 1, 2008, chapter 18, section 18, C-154.

¹⁵ See Appendix C for our summary of the projection methodology.

¹⁶ Office of Management and Budget Memorandum 11-16, “Issuance of Revised Parts I and II to Appendix C of OMB Circular A-123,” April 14, 2011.

when an agency's review does not determine whether a payment was proper because of insufficient documentation or lack of documentation. Additionally, a Federal regulation states that "documentation of medical records must be legible and prepared as soon as possible after the care is rendered."¹⁷ Another Federal regulation states that erroneous payments are expenditures of Government funds that are not authorized by law, including payment for care provided to an ineligible person or payment for care that is not an authorized benefit.¹⁸ Improper payments can be an indicator of fraud.¹⁹

Review of Internal Controls

DoD Instruction 5010.40 requires DoD organizations to implement a comprehensive system of internal controls that provides reasonable assurance that programs are operating as intended and to evaluate the effectiveness of the controls.²⁰ We identified an internal control weakness within the DHA's controls over payments to ABA companies. Specifically, DHA personnel did not consider certain indicators that may identify improper payments to ABA companies. We will provide a copy of the report to the senior official responsible for internal controls in the Office of the Assistant Secretary of Defense (Health Affairs).

¹⁷ Title 32, Code of Federal Regulations, section 199.7, "Claims submission, review, and payment."

¹⁸ Title 32, Code of Federal Regulations, section 199.11, "Overpayments recovery."

¹⁹ Fraud involves obtaining something of value through willful misrepresentation, according to Government Accountability Office report GAO-12-331G, "Government Auditing Standards," December 2011.

²⁰ DoD Instruction 5010.40, "Managers' Internal Control Program Procedures," May 30, 2013.

Finding

DHA Made Improper Payments to Selected ABA Companies

The DHA made improper payments for ABA services to five ABA companies in the TRICARE South Region. Specifically, the ABA companies billed, and the DHA improperly paid for, ABA services under the following conditions:

- lack of documentation to support ABA services;
- misrepresentation of the provider who performed the ABA services;
- billing for ABA services provided while the beneficiary was napping;
- billing for two services at the same time;
- unreliable supporting documentation;
- billing for services while the beneficiary was not present; and
- billing for services performed by providers who were not authorized by TRICARE.

DHA personnel made improper payments because when DHA and contractor personnel selected ABA companies for review, they did not consider that certain indicators may identify improper payments, such as a high percentage of claims billed at the ABA supervisor rate, the highest rate. As a result, we project that the DHA improperly paid \$1.9 million of the total \$3.1 million paid to the five companies for ABA services performed in CY 2015.²¹ See Appendix B for a summary of potential monetary benefits.

DHA Made Improper Payments for ABA Services to Five ABA Companies in the TRICARE South Region

The DHA did not properly pay for ABA services for five ABA companies in the TRICARE South Region. Specifically, through its contractor, the DHA improperly paid \$34,591.29 for 144 claim line items out of our statistical sample of \$55,808.54 of 205 claim line items.

We statistically selected and reviewed 205 claim line items to determine whether the DHA properly paid for ABA services performed by the five ABA companies. We identified improper payments in seven categories: (1) lack of documentation to support ABA services; (2) misrepresentation of the provider who performed the ABA services; (3) billing for ABA services provided while the beneficiary was

²¹ See Appendix C for our summary of the projection methodology.

napping; (4) billing for two services at the same time; (5) unreliable supporting documentation; (6) billing for services while the beneficiary was not present; and (7) billing for services performed by providers who were not authorized by TRICARE. Table 2 shows the number of sample claim line items and the improper payment amount by category.

Table 2. Improper Payments by Category

Category	No. of Sample Claim Line Items	Improper Payment Amount
Lack of Documentation to Support ABA Services	29	\$7,235.88
Misrepresentation of the Provider Who Performed the ABA Services	81	\$10,891.51
Billing for ABA Services Provided While the Beneficiary Was Napping	3	\$187.50
Billing for Two Services at the Same Time	11	\$1,587.50
Unreliable Supporting Documentation	13	\$5,877.50
Billing for Services While the Beneficiary Was Not Present	28	\$3,051.50
Billing for Services Performed by Providers Who Were Not Authorized by TRICARE	45	\$5,759.90
Total	144*	\$34,591.29

* Some of the 144 claim line items had improper payments in multiple categories, totaling 210 unique instances of improper payment. Each improper payment amount listed in Table 2 is associated only with the applicable category; therefore, each improper payment amount is counted only once in each category.

Four Companies Did Not Provide Supporting Documentation to Support ABA Services

Four ABA companies did not provide supporting documentation, did not document length of therapy sessions, or billed for more ABA services than their documentation could support for 29 sample claim line items, resulting in an overpayment of \$7,235.88.

Specifically, of the five ABA companies:

- three did not provide documentation for a total of five sample claim line items, resulting in an overpayment of \$1,026.50;

- one company's documentation did not indicate the length of the therapy session for three sample claim line items, resulting in an overpayment of \$178.13;²² and
- four companies billed for more services than their documentation could support, for a total of 21 sample claim line items, resulting in an overpayment of \$6,031.25.

For example, the TRICARE South Region contractor paid \$937.50 to company B for 7.5 hours of ABA services performed on June 17, 2015. However, the supporting documentation showed that the provider performed only 2.5 hours of ABA services on that date of service. As a result, the DHA overpaid \$625.00 for 5 hours of services not rendered.

Four Companies Misrepresented the Provider Who Performed the ABA Services

ABA companies frequently billed TRICARE for ABA services performed by an ABA supervisor when an assistant behavior analyst or BT actually performed the ABA services.

ABA companies frequently billed TRICARE for ABA services performed by an ABA supervisor when an assistant behavior analyst or BT actually performed the ABA services. Specifically, four ABA companies misrepresented the provider who performed the services for a total of 81 sample claim line items, resulting in an overpayment of \$10,891.51.

For example, the TRICARE South Region contractor paid \$500.00 for 4 hours of ABA services performed by company B on January 22, 2015, at the reimbursement rate allowed for an authorized ABA supervisor: \$62.50 per 30-minute increment. However, according to supporting documentation, a BT performed the services. Therefore, the DHA should have reimbursed at the \$25.00 per 30-minute rate and overpaid \$300.00 for the services.

One Company Billed for ABA Services Provided While the Beneficiary Was Napping

One ABA company billed for one-on-one direct ABA therapy for three sample claim line items, even though supporting documentation showed that the beneficiary napped during part of the therapy sessions.²³ TRICARE guidance allows an ABA

²² The entire amount paid was an overpayment because failure to adequately document medical care will result in services being denied, according to TRICARE Policy Manual 6010.60-M, April 1, 2015, chapter 1, section 5.1.

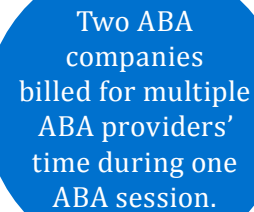
²³ We did not calculate an overpayment for two of the three sample claim line items because the supporting documentation did not provide enough information to determine the length of the nap.

company to bill for ABA services only if direct one-on-one therapy is provided to a beneficiary.²⁴ Furthermore, DHA personnel stated that the DHA should not pay for ABA services while the beneficiary sleeps.

For example, the TRICARE South Region contractor paid \$625.00 for ABA services performed by company A for a 2-year-old beneficiary on April 14, 2015, from 9:00 a.m. to 2:00 p.m. However, the board certified behavior analyst and the BT wrote in the session notes that the beneficiary napped from 12:20 p.m. to 1:50 p.m. As a result, the DHA overpaid \$187.50 for the services not provided while the beneficiary was asleep.

Two Companies Billed for Two Services at the Same Time

Two ABA companies billed for multiple ABA providers' time during one ABA session with a beneficiary when more than one ABA provider was present, also known as concurrent billing (billing for two services at the same time). Specifically, the two ABA companies concurrently billed ABA services for a total of 11 sample claim line items, resulting in an overpayment of \$1,587.50. TRICARE guidance does not allow concurrent billing.²⁵



Two ABA companies billed for multiple ABA providers' time during one ABA session.

For example, the TRICARE South Region contractor paid \$937.50 for 7.5 hours of ABA services to company A that billed for multiple providers' services provided to the same beneficiary at the same time, which is not permitted by TRICARE policy. We obtained the following supporting documentation.

- One session note showed that a BT provided ABA services to a beneficiary for 3.5 hours from 12:30 p.m. to 4:00 p.m.
- Another session note showed that an ABA supervisor provided ABA services to the same beneficiary for 3 hours from 12:30 p.m. to 3:30 p.m. This 3-hour session overlapped the 12:30 p.m. to 4:00 p.m. session during which the BT provided ABA services.
- Another session note showed that the same ABA supervisor provided ABA services to the same beneficiary for 1 hour from 3:00 p.m. to 4:00 p.m. This 1-hour session overlapped the 12:30 p.m. to 4:00 p.m. session during which the BT provided ABA services, and overlapped the 12:30 p.m. to 3:30 p.m. session during which the ABA supervisor provided ABA services. Company A billed 7.5 hours for the entire time for the three sessions.

²⁴ TOM 6010.56-M, February 1, 2008, chapter 18, section 18, C-154.

²⁵ If two or more ABA providers are present during the ABA session, the ABA company can bill for only one of the provider's time. For example, if an authorized ABA supervisor is present and performing services (along with another supervisor, assistant behavior analyst, or BT), the ABA company is allowed to bill the rate for an authorized ABA supervisor.

According to TRICARE guidance, ABA companies are not permitted to bill for more than one provider's time for the same beneficiary at the same time.²⁶ Therefore, company A improperly billed for 4 hours of ABA services and the DHA overpaid \$500.00 for the 4 hours of overlapping services.

Two Companies Provided Unreliable Supporting Documentation

Two of five ABA companies provided unreliable documentation for a total of 13 sample claim line items.

ABA companies provided unreliable supporting documentation when we requested documentation to support the sampled claim line items for ABA services. TRICARE guidance requires that all medical record entries, including paper-based and computerized or electronic entries, be dated and authenticated, and a method must be established to identify the authors of the entries. Specifically, two of five ABA companies provided unreliable documentation for a total of 13 sample claim line items, resulting in an overpayment of \$5,877.50.

For example, the TRICARE South Region contractor paid \$1,000.00 to company C for 8 hours of ABA services for one beneficiary on July 15, 2015. We requested supporting documentation during our site visit at the company's facility, but personnel stated that their electronic medical records system did not have any documentation or records that services were provided to the beneficiary on July 15, 2015. We also observed during our visit that the electronic medical records system did not have any documentation for this date of service. We requested that personnel send hardcopy supporting documentation stored outside the electronic medical records system. We received documentation from the company at a later date; however, we believe the documentation was unreliable for three reasons:

1. The company did not send any hardcopy documentation stored outside the electronic medical records system, but instead sent an electronic medical record that did not exist previously based on our observations during our site visit.
2. Records we obtained during the site visit contained electronic signatures that included a digital date/time stamp and an attestation that the provider performed the services. However, none of the electronic medical records we received after the site visit, including records for this date of service, included an electronic signature or date/time stamp.
3. The notes in the electronic medical record conflicted with the date of service for the claim in our sample. The billed claim in our sample was for the date of service July 15, 2015. However, the notes in the electronic

²⁶ TOM 6010.56-M, February 1, 2008, chapter 18, section 18, C-154.

medical record said that an authorized ABA supervisor and the beneficiary attended a college basketball game between two specific teams, but their attendance at the game could not have taken place on the date of service. College basketball records show that these specific teams meet only once a year and played on November 24, 2014, and not on July 15, 2015, the date of service on the claim in our sample. Additionally, the session notes discussed detailed plans for Thanksgiving.

Therefore, we determined that the supporting documentation was unreliable and does not support the therapy services that the TRICARE South contractor paid for. As a result, the DHA overpaid \$1,000.00 for the services.

Three Companies Billed for Services While the Beneficiary Was Not Present

ABA companies billed for ABA services while the beneficiary was not present. Specifically, three of five ABA companies billed for ABA services, even though supporting documentation did not show that ABA services were provided to TRICARE beneficiaries, for a total 28 sample claim line items, resulting in an overpayment of \$3,051.50. TRICARE guidance states that CPTs 0364T and 0365T are only for “direct one-on-one” ABA services provided to the beneficiary; therefore, “direct one-on-one” ABA services cannot be provided if the beneficiary is not present. Furthermore, the DHA will not pay for any ABA services performed by a BT, other than “direct one-on-one” ABA services, according to TRICARE guidance. Additionally, TRICARE guidance explicitly excludes billing for e-mail and phone calls. Furthermore, DHA personnel stated that ABA companies are not allowed to bill for planning and preparation work for upcoming ABA sessions.

For example, the TRICARE South Region contractor paid \$125.00 for 1 hour of ABA services by company A on February 27, 2015. However, supporting documentation did not indicate that the provider provided ABA services during the session. Instead, documentation showed that the BT:

- “Drafted an e-mail to send to the caregiver”;
- “Researched new goals to implement into [the beneficiary’s] program”; and
- “Created a new point system for [the beneficiary] to use in the clinic.”

The company billed for ABA services even though direct one-on-one ABA services were not provided to a beneficiary, which is not allowed by TRICARE guidance. As a result, the DHA overpaid \$125.00 for unbillable services.

Four Companies Billed for Services Performed by Providers Who Were Not Authorized by TRICARE

Four ABA companies used unauthorized providers to provide ABA services to TRICARE beneficiaries.

ABA companies billed for ABA services performed by providers who were not authorized by TRICARE. Specifically, four ABA companies used unauthorized providers to provide ABA services to TRICARE beneficiaries for a total of 45 sample claim line items, resulting in an overpayment of \$5,759.90. According to TRICARE guidance, ABA providers may not work with TRICARE beneficiaries until the TRICARE South Region contractor gives written approval to the ABA company. Before approval, ABA providers must complete an application that includes information on applicable qualifications. Additionally, an ABA supervisor must attest to completing a criminal background check within the past 180 days, including Federal criminal, state criminal, county criminal, and sex offender reports, during the past 10 years.²⁷

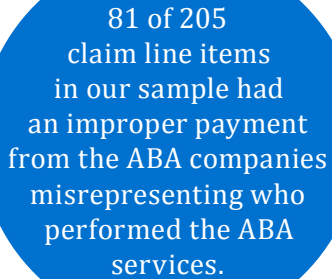
For example, the TRICARE South Region contractor paid \$875.00 for 7 hours of ABA services by company A on September 24, 2015. However, the TRICARE South Region contractor never authorized the individual to provide ABA services to TRICARE beneficiaries. As a result, the DHA overpaid \$875.00 for services provided by an unauthorized individual. In addition, a 2-year-old TRICARE beneficiary may have been endangered by receiving ABA services from an unqualified provider with a possible criminal record.

DHA Did Not Review Certain Indicators When Selecting ABA Companies for Review

DHA personnel made improper payments because DHA and contractor personnel did not consider certain indicators when they selected ABA companies for review. The TRICARE South Region contractor's Program Integrity Office reviews claim activity to detect improper payments and the DHA's Program Integrity Office oversees the contractor's program integrity activities. However, DHA and contractor personnel did not compare the session notes to the billed claim line items for the five ABA companies in our sample that generally billed the TRICARE program at the highest rate per 30-minute increment. Specifically, four of the five ABA companies we selected for our review billed at the highest rate more than

²⁷ TOM 6010.56-M, February 1, 2008, chapter 18, section 18, updated on November 18, 2015, requires the contractor to obtain a criminal history review for ABA providers with whom it has a participation agreement, and requires ABA providers without a participation agreement to obtain a criminal history review for ABA supervisors and to obtain a criminal history background check for assistant behavior analysts and BTs.

90 percent of the time during CY 2015, as seen in Table 1. According to TRICARE guidance, the assistant behavior analysts and the BTs provide most of the ABA services, not the ABA supervisors, who bill at the highest



81 of 205 claim line items in our sample had an improper payment from the ABA companies misrepresenting who performed the ABA services.

rate. For all of the ABA services provided in CY 2015 in the TRICARE South Region, only 26 percent of the claim line items were processed at the highest rate. The disproportionate number of claim line items paid at the highest rate to these five ABA companies is an indication that these ABA companies may have misrepresented the provider who performed the services. As seen in Table 2, 81 of 205 claim line items in our sample had an improper payment from the ABA companies misrepresenting who performed the ABA services.

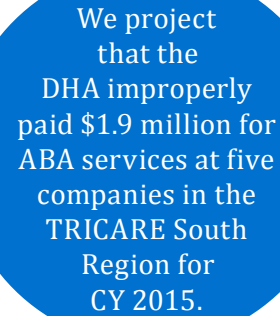
Therefore, billing a high proportion of claims at the highest rate may be an indicator of improper payments.

In addition, DHA and contractor personnel did not determine whether ABA companies were properly billing the TRICARE program for 6 hours or more of ABA services a day for children 4 years of age or younger. Conducting proper oversight and verifying that the ABA services were actually performed would have allowed DHA or the contractor personnel to identify whether ABA companies were acting as a daycare, including billing for naps. For instance, of the 11 claim line items in our sample that were for 6 hours or more of ABA services a day for children 4 years of age or younger, 9 (or 82 percent) had an improper payment. As previously stated, one ABA company billed for one-on-one direct ABA therapy for three sample claim line items while the beneficiary napped. Therefore, billing the TRICARE program for 6 hours or more of ABA services a day for children 4 years of age or younger may be another indicator of improper payments.

The DHA should conduct comprehensive medical reviews of ABA companies in the TRICARE South Region that show indicators of improper payments, including, but not limited to, companies with a high percentage of claims paid at the highest rates and companies billing 6 hours or more a day for children 4 years of age or younger. The comprehensive reviews should compare medical records to claims from ABA companies to determine whether the charges were appropriate. The DHA should also review claims from the five ABA companies in our sample and provide the results of the review to the DHA Program Integrity Office for appropriate action.

Conclusion

We project that the DHA improperly paid \$1.9 million for ABA services at five companies in the TRICARE South Region for CY 2015. Therefore, the DHA should conduct comprehensive medical reviews on ABA companies in the TRICARE South Region that are billing the TRICARE program with unusual patterns and trends. For example, if the ABA company is usually billing at the highest rate, billing 6 hours or more of therapy a day for children 4 years of age or younger, or both, the DHA should compare each medical record to the ABA company's claim to ensure the claim is supported. Moreover, unusual patterns and trends in contracting, procurement, acquisition, and other activities of the entity or program may indicate a heightened risk of fraud.²⁸ The DHA should implement additional controls to safeguard against improper payments for ABA services in the TRICARE South Region.



We project that the DHA improperly paid \$1.9 million for ABA services at five companies in the TRICARE South Region for CY 2015.

Recommendations

Recommendation 1

We recommend that the Director, Defense Health Agency:

- a. Conduct comprehensive medical reviews of applied behavior analysis companies in the TRICARE South Region that show indicators of improper payments, including, but not limited to, companies with a high percentage of claims paid at the highest rates and companies billing 6 or more hours a day for children 4 years of age or younger, and compare medical records to applied behavior analysis company claims to determine whether the charges were appropriate.**
- b. Review claims from the five applied behavior analysis companies in our sample and provide the results of the review to the DHA Program Integrity Office for appropriate action.**

²⁸ According to Government Auditing Standards, unusual patterns and trends in contracting, procurement, acquisition, and other activities of the entity or program, might indicate a heightened risk of fraud.

Management Comments Required

The Director, Defense Health Agency, did not respond to the recommendations in the report; therefore, we consider the recommendations unresolved. We request that the Director provide comments on the final report. To resolve and close these recommendations, DHA will need to demonstrate that it reviewed ABA companies that have specific indicators of improper payments, including the five ABA companies in our sample, and took appropriate action, such as recouping any overpayments.

Appendix A

Scope and Methodology

We conducted this performance audit from March 2016 through January 2017 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.

Review of Documentation, Interviews, and Observations

To accomplish our audit objectives, we interviewed officials from the DHA; the TRICARE South Region contractor, Humana Military Healthcare Services, Inc.; and its subcontractors. We reviewed the TRICARE Operations Manual 6010.56-M, February 1, 2008, chapter 18, section 18, “Department of Defense (DoD) Comprehensive Autism Care Demonstration.”

We obtained ABA claims data from the Military Health System Data Repository (MDR) for CY 2015 and focused on two ABA services (CPT 0364T and 0365T) because they represented \$59.3 million (or 83.4 percent) of the total \$71.2 million paid for all ABA services.

We nonstatistically selected five ABA companies in the TRICARE South Region that billed TRICARE for these two ABA services at the highest possible rate within the same geographic area. We created a stratified statistical sample of 205 claim line items for the five ABA companies. See Appendix C for more details.

We conducted unannounced site visits at each of the five ABA companies and attempted to obtain ABA session notes for each of the 205 claim line items in our sample. We determined whether the ABA companies’ session notes supported what the ABA companies billed the TRICARE program. Specifically, we determined whether the DHA made overpayments by performing tests that answered the following questions:

1. Did the ABA company provide the session notes that supported the claim line item?
2. Were the session notes reliable?
3. Did the ABA company include the length of the session in the notes?
4. Did the ABA company bill more services than the session notes supported?
5. Did the ABA company bill correctly for the individual who performed the ABA services?

6. Did the ABA company bill for multiple ABA providers during one ABA session with a beneficiary when more than one ABA provider was present (concurrent billing)?
7. Did the ABA company bill for one-on-one direct ABA therapy, even though the beneficiary slept during part of the session?
8. Did the ABA company bill for ABA services while the beneficiary was not present?
9. Did the ABA company bill for ABA services performed by a non-authorized TRICARE provider?

We used the overpayments for the 205 claim line items to estimate the total overpayments for the five ABA companies. See Appendixes B and C for details on our potential monetary benefits and our projection methodology.

Use of Computer-Processed Data

We used computer-processed data obtained from the MDR to determine the amount paid for ABA services performed in the TRICARE South Region. We obtained the universe of all claims data from the MDR for CY 2015 for ABA services performed in the TRICARE South Region. We developed a statistical sample of 205 claim line items to determine whether the TRICARE South Region contractor properly processed claims submitted by five nonstatistically selected ABA companies.

To assess the reliability of the data provided from the MDR, we randomly sampled 78 claim line items from within the statistical sample and compared the paid amounts on TRICARE's explanation of benefits to the respective paid amounts within the MDR. All 78 claim line items passed the control test, so we conclude with a 90-percent confidence level that the error rate in the population is less than or equal to 5 percent. For the purpose of the audit, we concluded that the paid amounts in the MDR were reliable.

TRICARE guidance requires ABA companies to submit claims electronically. Therefore, it was not necessary to test whether the TRICARE South Region claims processor accurately captured the claims data because the ABA companies entered the data themselves. We performed tests and determined that none of the payments for our 205 claim line items exceeded the maximum allowed rate for ABA services and the ABA companies did not bill over 8 hours for ABA services for one beneficiary in 1 day. We also conducted numerous system tests by examining the controls for processing ABA services claims at the TRICARE South Region claims processor. Additionally, documentation that we obtained

from the five ABA companies generally supported that services were provided to the applicable TRICARE beneficiary for the dates of service in the sample. Based on our testing, we determined that the South Region ABA services data were sufficiently reliable for the purposes of the report.

Use of Technical Assistance

The DoD OIG Quantitative Methods Division provided the statistical sample of 205 ABA therapy claim line items for review. See Appendix C for a summary of the projection methodology.

Prior Coverage

No prior coverage has been conducted on ABA services in the TRICARE South Region during the last 5 years.

Appendix B

Summary of Potential Monetary Benefits

Recommendation	Type of Benefit	Amount of Benefit	Account
1.a	Internal Controls. This post-payment control will compare ABA claims to the beneficiary's medical record to verify that the autism-related claim was billed properly, covered, reasonable, and necessary.	Undeterminable. Amount is subject to results of the DHA or its contractor's review of ABA claims in future years.	97X0130
1.b	Internal Controls. This post-payment control will identify improper payments for ABA claims in our audit sample.	Funds put to better use in the amount of \$1,896,179 for CY 2015 ABA claims in the TRICARE South Region.	97X0130

Appendix C

Summary of Projection Methodology for South Region Autism Therapy Claims

With the assistance of the DoD OIG Quantitative Methods Division (QMD), we developed a statistical sample to project the amount of improper payments for ABA services paid to five nonstatistically selected ABA companies in the TRICARE South Region.

Quantitative Plan

The TRICARE South Region population consisted of 704,550 claim line items, valued at \$71,170,022, for all ABA services provided to beneficiaries in CY 2015. We nonstatistically selected five ABA companies that generally billed at the highest rates and reviewed only the CPT codes 0364T and 0365T that they submitted. For CY 2015, these five ABA companies were paid for a total of 12,289 claim line items, valued at \$3,064,980. From that population, we designed a statistical sample.

Sample Plan

We used a sample design that was stratified by the provider tax identification number for each of the ABA companies. Within each stratum, we randomly selected claim line items that were representative of each company's claims submissions for CPTs 0364T and 0365T provided in CY 2015. A total of 205 claim line items were selected, as shown in Table 3.

Table 3. Population and Sample Breakdown

ABA Company	Population Size	Total Paid	Sample Size (claim line items)	Sample Paid Amounts
A	4,236	\$1,084,768.52	60	\$16,865.50
B	1,636	\$573,753.85	40	\$16,619.25
C	1,155	\$490,303.54	30	\$9,540.91
D	2,294	\$424,725.75	35	\$5,857.38
E	2,968	\$491,428.17	40	\$6,925.50
Total	12,289	\$3,064,979.83	205	\$55,808.54

Statistical Projections and Interpretation

Based on the sample results, we project at a 95-percent confidence level that the overpaid amount to these five ABA companies for CPTs 0364T and 0365T is between \$1,525,315 and \$2,272,148, with a point estimate of \$1,898,731, as shown in Table 4.

Table 4. Projected Overpayments

	Lower Bound	Point Estimate	Upper Bound
Dollar Value	\$1,525,315	\$1,898,731	\$2,272,148

Predictive Analytic Model

QMD personnel verified through a predictive analytic model that the five nonstatistically selected ABA companies were at high risk for improper payments. In March 2016, QMD personnel applied a predictive analytic model to assess the risk of an improper payment being made for each individual claim line item for CY 2015. QMD personnel made assumptions based upon published TRICARE guidance for ABA services and applied the guidance to each individual claim line item for CY 2015 to determine whether the DHA made improper payments. Specifically, QMD personnel identified claim line items for ABA services provided to beneficiaries outside of their 6-month ABA treatment plan, and QMD personnel compared payments made to the ABA companies against the published rates. The published rates included CPTs 0364T and 0365T that were paid at \$34.00 per 30-minute increment for ABA services provided by board certified behavior analysts and board certified behavior analyst-doctorates. QMD personnel then determined whether the claim line items were improperly paid based on published TRICARE guidance.

The TRICARE South Region population consisted of 704,550 claim line items valued at \$71,170,022 for all ABA services provided to beneficiaries in CY 2015. Using the MDR data, QMD personnel developed a stepwise logistic regression, a type of predictive model, to assess the risk of improper payment across a number of attributes that included data about the patients, providers, and services provided

during visits. From that model, QMD personnel determined that an improper payment at the claim-line level was 1.94 to 2.71 times more likely if it met the following conditions:

1. The therapeutic service was billed under CPTs 0364T or 0365T.
2. The ABA company was billing from certain geographic areas.
3. The ABA company billed at high rates relative to the published rates.
4. The visit lasted between 1.5 to 8 hours.
5. The therapy was provided at the patient's school, home, or at a smaller clinic rather than at a larger community mental health center or hospital.
6. The ABA company consistently billed at the highest ABA rate across all of its claim-lines in CY 2015.
7. There was missing information on the claim-line entry in the MDR data.

Acronyms and Abbreviations

ABA	Applied Behavior Analysis
ASD	Autism Spectrum Disorder
BT	Behavior Technician
CPT®	Current Procedural Terminology®
DHA	Defense Health Agency
MDR	Military Health System Data Repository
QMD	Quantitative Methods Division
TOM	TRICARE Operations Manual

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