



# INSPECTOR GENERAL

*U.S. Department of Defense*

MARCH 14, 2018



## **TRICARE North Region Payments for Applied Behavior Analysis Services for the Treatment of Autism Spectrum Disorder**

INTEGRITY ★ EFFICIENCY ★ ACCOUNTABILITY ★ EXCELLENCE

INTEGRITY ★ EFFICIENCY ★ ACCOUNTABILITY ★ EXCELLENCE

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# Results in Brief

## *TRICARE North Region Payments for Applied Behavior Analysis Services for the Treatment of Autism Spectrum Disorder*

March 14, 2018

### Objective

We determined whether the DoD appropriately paid for one-on-one applied behavior analysis interventions (ABA services) for the treatment of Autism Spectrum Disorder in the TRICARE North Region. The audit was requested by the Director, TRICARE Health Plan. The TRICARE North Region contractor paid 1,388,073 claim line items for ABA services, valued at \$120.1 million, in 2015 and 2016.<sup>1</sup>

### Background

TRICARE is the DoD's managed health care program for active duty service members, retirees, and eligible family members. The Defense Health Agency (DHA) manages the TRICARE program. For eligible beneficiaries diagnosed with Autism Spectrum Disorder, TRICARE provides reimbursement for covered ABA services. According to the Behavior Analyst Certification Board, "ABA is a well-developed scientific discipline among the helping professions that focuses on the analysis, design, implementation, and evaluation of social and other environmental modifications to produce meaningful changes in human behavior." To receive payment, ABA companies submit claims to the TRICARE North Region managed care support 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

<sup>1</sup> 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 represents a different date of service or a procedure that a provider performed.

### Background (cont'd)

may request a medical record from an ABA company to verify that services were performed appropriately. Failure to adequately document medical care will result in complete or partial denial of the claim.

### Finding

The DHA made improper payments for ABA services to companies in the TRICARE North Region. We statistically project that the DHA, through its contractor, improperly paid \$81.2 million of the total \$120.1 million paid to ABA companies in the TRICARE North Region for ABA services performed in 2015 and 2016. The DHA either lacked documentation or had insufficient documentation to support the payment to the ABA companies. The DHA did not detect these improper payments because the DHA did not perform comprehensive medical reviews on a statistically representative sample of ABA claims.

In a prior audit report (DoDIG-2017-064), we identified that the DHA made improper payments for ABA services to five ABA companies within the same geographic area in the TRICARE South Region that generally billed at the highest possible rate. As a result, we projected that the DHA improperly paid \$1.9 million of the total \$3.1 million paid to the five companies for ABA services performed in 2015. We recommended that the Director, DHA, conduct comprehensive medical reviews of ABA companies in the TRICARE South Region that show indicators of improper payments, including, but not limited to, companies billing 6 or more hours a day for children 4 years of age or younger, and compare medical records to ABA company claims to determine whether the charges were appropriate.

During our audit of the TRICARE North Region, we identified systemic improper payments that included not only high-risk ABA companies, but ABA companies with low risk profiles as well. Because we identified significant improper payments across the TRICARE North Region, it is probable that the TRICARE South and West Regions also have ABA companies that are not properly documenting covered ABA services provided to TRICARE beneficiaries.



# Results in Brief

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## *TRICARE North Region Payments for Applied Behavior Analysis Services for the Treatment of Autism Spectrum Disorder*

### Recommendations

We recommend that the Director, DHA:

- Revise policy to require annual comprehensive medical reviews on a statistically representative sample of ABA providers' claims for the TRICARE North, South, and West Regions to ensure that an adequate number of claims are reviewed. Reviews should compare the beneficiaries' session notes to the providers' claims to determine whether all required documentation exists and adequately supports payments received. The reviews should cover claims from 2015 and all future years.
- Review and pursue appropriate action, such as recouping any overpayments, on the claims in our sample for which there was insufficient or no documentation from the ABA companies.

### Management Comments and Our Response

The DHA Director agreed with our finding and recommendations. The Director agreed with and implemented the recommendation to revise policy to require annual comprehensive medical reviews on ABA claims for the TRICARE Regions from 2015 and all future years. Therefore, the recommendation is resolved and closed.

The Director also agreed to review and pursue appropriate action, such as recouping any overpayments, on the claims in our sample for which there was insufficient or no documentation from the ABA companies. Therefore, the recommendation is resolved. We will consider the recommendation closed once we receive and analyze supporting documentation to ensure that it addresses our recommendation.

Please see the Recommendations Table on the next page for the status of the recommendations.

## Recommendations Table

Management	Recommendations Unresolved	Recommendations Resolved	Recommendations Closed
Director, Defense Health Agency	None	1.b	1.a

Note: 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 14, 2018

MEMORANDUM FOR DIRECTOR, DEFENSE HEALTH AGENCY

SUBJECT: TRICARE North Region Payments for Applied Behavior Analysis  
Services for the Treatment of Autism Spectrum Disorder  
(Report No. DODIG-2018-084)

We are providing this report for your review. The audit was requested by the Director, TRICARE Health Plan. We conducted this audit in accordance with generally accepted auditing standards.

We considered the Defense Health Agency and contractor comments on the draft of this report when preparing the final report. Comments from the Director, Defense Health Agency, addressed all specifics of the recommendations and conformed to the requirements of DoD Instruction 7650.03; therefore, we do not require additional comments.

We appreciate the cooperation and assistance received during the audit. Please direct questions to me at (703) 604-9187.

A handwritten signature in blue ink, reading "Michael J. Roark", is positioned above the printed name.

Michael J. Roark  
Assistant Inspector General  
Readiness and Global Operations



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# Introduction

## Objective

We determined whether the DoD appropriately paid for one-on-one applied behavior analysis interventions (ABA services) for the treatment of Autism Spectrum Disorder (ASD) in the TRICARE North Region. The audit was requested by the Director, TRICARE Health Plan. The TRICARE North Region contractor paid 1,388,073 claim line items for ABA services, valued at \$120.1 million, in 2015 and 2016.<sup>2</sup> See Appendix A for the scope and methodology and prior audit coverage.

## Background

### ***Defense Health Agency and the TRICARE Program***

The Defense Health Agency (DHA), an agency under the direction of the Assistant Secretary of Defense (Health Affairs), manages the overall TRICARE program. TRICARE is the DoD's managed health care program for active duty service members, survivors, retirees, and eligible family members (collectively known as beneficiaries). The TRICARE program provides health care services to eligible beneficiaries throughout the United States in the North, South, and West health service regions, as well as overseas.<sup>3</sup> Figure 1 shows the TRICARE regions in the United States.



*Figure 1. TRICARE Regions in the United States*

Source: The DoD OIG.

<sup>2</sup> 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.

<sup>3</sup> As of January 1, 2018, there are two TRICARE regions, known as TRICARE East and West.

DHA contracting officials awarded the TRICARE North Region managed care support contract on May 13, 2010. This contract expired on December 31, 2017. The total potential contract value, including the approximate 10-month base period, 5 one-year option periods, plus an optional transition out period, is estimated at \$17.2 billion.

### ***DoD Comprehensive Autism Care Demonstration***

According to TRICARE Operations Manual (TOM) 6010.56-M, “ASD affects behavior, such as social interaction, the ability to communicate ideas and feelings, imagination, and the establishment of relationships with others.”<sup>4</sup> According to the Behavior Analyst Certification Board, “ABA is a well-developed scientific discipline among the helping professions that focuses on the analysis, design, implementation, and evaluation of social and other environmental modifications to produce meaningful changes in human behavior.”<sup>5</sup> The DHA initiated the DoD Comprehensive Autism Care Demonstration, effective July 25, 2014, through December 31, 2023, to combine all TRICARE-covered ABA services under one program and provide reimbursement for covered ABA services to TRICARE eligible beneficiaries diagnosed with ASD.<sup>6</sup> Figure 2 shows an ABA provider reviewing numbers with a six-year-old TRICARE beneficiary.



Figure 2. ABA Session  
Source: Joint Base Charleston, Public Affairs.

<sup>4</sup> TOM 6010.56-M.

<sup>5</sup> According to the Behavior Analyst Certification Board Guidelines for “Applied Behavior Analysis Treatment of Autism Spectrum Disorder: Practice Guidelines for Healthcare Funders and Managers,” Second Edition.

<sup>6</sup> TOM 6010.56-M.

### *Reimbursement of ABA Services*

According to TRICARE guidance, before TRICARE covers ABA services, the beneficiary must be diagnosed with ASD and issued a referral for covered ABA services by a TRICARE-authorized Physician-Primary Care Manager or a specialized ASD-diagnosing health care provider.<sup>7</sup> Upon the receipt of the referral, the TRICARE North region contractor issues an authorization for 6 months of covered ABA services. Based on the referral request, the contractor must identify a specific TRICARE-authorized Board Certified Behavior Analyst (BCBA) who can accept the TRICARE beneficiary. BCBAs conduct assessments to create individualized ABA treatment plans. The ABA assessment should include data from multiple methods, including direct observation, measurement, and recording of patient behavior. An authorized BCBA designs and supervises a treatment plan delivered by an Assistant Behavior Analyst or certified Behavior Technician (BT). According to TRICARE guidance, a treatment plan is a written individual plan of care for the beneficiary based on the initial assessment and updated based on periodic reassessments.<sup>8</sup> The TRICARE North Region contractor must approve the treatment plan from the ABA provider before covered ABA services are provided to the beneficiary.

The DoD Comprehensive Autism Care Demonstration covers ABA services provided by an authorized ABA supervisor, such as ABA assessment, treatment plan development and updates, and direct one-on-one covered ABA services. The Demonstration also covers certain supervised services provided by the assistant behavior analyst, such as duties delegated by an authorized ABA supervisor. BTs can also provide one-on-one covered ABA services under the supervision of an authorized ABA supervisor. While ABA supervisors are permitted to perform direct one-on-one covered ABA services, the assistant behavior analysts and the BTs provide most of the covered ABA services.<sup>9</sup> The one-on-one covered ABA services are delivered per the treatment plan protocol to the beneficiary.<sup>10</sup>

ABA companies submit claims to the TRICARE North 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 or any health care provider to verify that services were performed appropriately.

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<sup>7</sup> TOM 6010.56-M.

<sup>8</sup> TOM 6010.56-M.

<sup>9</sup> TOM 6010.56-M.

<sup>10</sup> TOM 6010.56-M.

TRICARE guidance states that ABA companies must include the following information in their ABA session notes:

- date and time of the ABA session;
- duration of the session;
- a notation of the patient’s current clinical status;
- content of the session;
- a statement summarizing the covered ABA services attempted during the session;
- description of the response to treatment, the outcome of the treatment, and the response to significant others; and
- a statement summarizing the patient’s degree of progress towards the treatment goals.<sup>11</sup>

TRICARE guidance also requires that all medical record entries, including paper-based and computerized or electronic entries, be dated and authenticated, and a method established to identify the authors of the entries.<sup>12</sup> Failure to adequately document medical care will result in complete or partial denial of the claim.

TRICARE guidance requires the DHA contractor to perform quality monitoring and oversight of programs, which should include reviews to identify fraudulent billing practices and missing required medical record documentation.<sup>13</sup>

### ***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.”<sup>14</sup> The guidance also states that a payment must be considered an improper payment when an agency’s review does not determine whether a payment was proper because of insufficient documentation or lack of documentation. Additionally, Federal regulation states that “documentation of medical records must be legible and prepared as soon as possible after the care is rendered.”<sup>15</sup>

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<sup>11</sup> TOM 6010.56-M.

<sup>12</sup> TRICARE Policy Manual 6010.60-M, chapter 1, section 5.1, April 1, 2015.

<sup>13</sup> TOM 6010.56-M.

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

<sup>15</sup> Section 199.7, title 32, Code of Federal Regulations, “Claims submission, review, and payment,” paragraph (c)(3)(iv).

## 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. We identified an internal control weakness within the DHA's controls over payments to ABA companies in the TRICARE North Region. Specifically, the DHA did not perform comprehensive medical reviews on a statistically representative sample of ABA claims. We will provide a copy of the final report to the senior official responsible for internal controls in the DHA.

## Finding

### DHA Made Improper Payments for ABA Services

The DHA made improper payments for ABA services to companies in the TRICARE North Region. We statistically project that the DHA, through its contractor, improperly paid \$81.2 million of the total \$120.1 million paid to ABA companies in the TRICARE North Region for ABA services performed in 2015 and 2016.<sup>16</sup> The DHA either lacked documentation or had insufficient documentation to support the payment to the ABA companies. The DHA did not detect these improper payments because the DHA did not perform comprehensive medical reviews on a statistically representative sample of ABA claims.<sup>17</sup> See Appendix B for a summary of potential monetary benefits.

### DHA Made Improper Payments for ABA Services to ABA Companies in the TRICARE North Region

The DHA did not appropriately pay for ABA services in the TRICARE North Region. Specifically, the DHA made improper payments for 269 claim line items, valued at \$39,553, of the 389 claim line items we reviewed, valued at \$58,341. We developed and reviewed a stratified, statistically representative sample of 389 claim line items in which the strata were defined by their relative risk factors, such as the length of the visit, the amount billed by the provider, and the reported education level across all providers within an ABA company. We requested supporting documentation for 354 of 389 sample items from the ABA companies through the TRICARE North Region contractor. We also conducted unannounced site visits at two ABA companies and obtained supporting documentation for the remaining 35 of the 389 sample items. See Appendix C for details of our sample methodology.

DHA made improper payments for 269 claim line items, valued at \$39,553, of the 389 claim line items we reviewed, valued at \$58,341.

<sup>16</sup> See Appendix C for a Summary of Projection Methodology for the TRICARE North Region Applied Behavior Analysis Claims.

<sup>17</sup> TOM 6010.56-M, February 1, 2008, Chapter 13 provides details on performing a statistically valid sample on claims. It states: "To determine the probable scope and extent of overpayments, regardless of how the overpayment was incurred, a simple random sample shall be drawn from the universe of claims. The sample size shall be calculated using the following parameters: 90% confidence level; 10% precision level; and 50% occurrence rate."



Based on our review, the DHA improperly paid 67.8 percent of the claim line items in our sample, valued at \$39,553 of a total of \$58,341, in the TRICARE North Region for 2015 and 2016. Out of the 67.8 percent that were improperly paid by the DHA, ABA companies failed to provide supporting documentation for 24.1 percent of the claim line items, valued at \$14,042, and failed to provide sufficient supporting documentation for 43.6 percent of the claim line items, valued at \$25,510.<sup>18</sup>

We concluded that documentation for claims was insufficient when the ABA provider or company:

- did not provide the supporting documentation,
- did not include the ABA provider name or beneficiary name or did not authenticate the ABA session note,
- did not provide documentation to support the length of the beneficiary's time receiving covered ABA services, or
- did not summarize the covered ABA services attempted during the session.

The following six examples of ABA claims were insufficiently documented—most often, failing to summarize the covered ABA services provided during the session, as required by TRICARE guidance—and were, therefore, improperly paid by the DHA for the full claim amount.<sup>19</sup>

1. The TRICARE North Region contractor paid \$509 for 8 hours of ABA services provided by a BCBA-Doctorate in September 2016 to a 14-year-old TRICARE beneficiary at his home. However, the ABA company submitted a session note for 4.5 hours of services instead of 8 hours. The ABA company also failed to summarize the covered ABA services attempted during the session. Instead, the session note described the poor living conditions and hygiene of the beneficiary, which were not identified as goals on the treatment plan.

Based on available records reviewed for this report, the DHA autism care team determined that the TRICARE North Region contractor should not have approved the treatment plan because the plan: (1) identified 3 out of 5 main goals (8 objectives) that are non-medical and therefore should have been denied from coverage; (2) did not identify specific interventions or techniques for each goal; (3) lacked data to support some of the goals/objectives and progress; (4) requested 50 hours per week of one-on-one covered ABA services, which is incongruent with the identified goals as well as not in line with current accepted medical guidance for treatment (none or few hours per week should have been approved based

<sup>18</sup> Note: Totals may not add due to rounding.

<sup>19</sup> TOM 6010.56-M.

on what was submitted); and (5) contained conflicting information, such as listing four different children’s names and two different ages.

2. The TRICARE North Region contractor paid \$380 for 8 hours of ABA services provided by an BT in February 2016 to a 9-year-old TRICARE beneficiary. The session note provided by the ABA company did not include the name of the ABA provider or beneficiary, was not signed by the ABA provider, and did not have a specific note about the beneficiary’s ABA treatment. TRICARE guidance requires all medical record entries, including paper-based and computerized or electronic entries, to be dated and authenticated, and a method established to identify the authors of the entries.<sup>20</sup> According to TRICARE guidance, failure to adequately document medical care will result in complete or partial denial of the claim.<sup>21</sup>

Based on available records reviewed for this report, the DHA autism care team determined that the majority of the goals listed in this treatment plan were appropriate for authorization. However, the TRICARE North Region contractor should not have approved the treatment plan because the plan: (1) was not specific to the child; (2) used male pronouns for a female beneficiary in the treatment plan (poor proof reading, which leads to a lack of reliability in the accuracy of the information); (3) did not match the session notes for this review period; and (4) did not reflect the beneficiary’s chromosomal disorder with a secondary “possible” diagnosis of ASD, which may make ABA services inappropriate.

3. The TRICARE North Region contractor paid \$121 for 3 hours of ABA services provided by an BT in December 2016 to a 9-year-old TRICARE beneficiary. The ABA company initially submitted a session note for the wrong date of service. In response to a second request from the contractor for the session note, the ABA company responded that it did not require its BTs to complete session notes for services and that session notes were completed by the supervisor. The ABA company also stated that it had previously attempted to comply with the request. Along with its statement, the ABA company sent a completed time sheet for the correct date of service but still with no session note. TRICARE guidance requires the ABA provider to document a summary of the covered ABA services attempted during the session and include the date of service as part of the essential information provided on the session notes.<sup>22</sup> The ABA company failed to submit a complete and sufficient session note for the correct date of service and was improperly paid as a result.



The ABA company responded that it did not require its BTs to complete session notes for services

<sup>20</sup> TRICARE Policy Manual 6010.60-M, April 1, 2015, chapter 1, section 5.1.

<sup>21</sup> TOM 6010.56-M.

<sup>22</sup> TOM 6010.56-M.

Based on available records reviewed for this report, the DHA autism care team determined that the TRICARE North Region contractor should not have approved the treatment plan because the majority of the treatment plan was not related to medically necessary ABA services that would be covered under the Autism Care Demonstration. Instead, this treatment plan included such areas as academic goals for math, reading, and writing, which are educational goals and prohibited from coverage under TRICARE.

4. The TRICARE North Region contractor paid \$231 for 2 hours of ABA services provided by a BCBA in August 2016 to a 4-year-old TRICARE beneficiary. The ABA company sent a session note for services that stated, “Observed RBT/assist + suggest@school.” Additionally, the ABA company submitted a session note that was not signed by the BCBA and listed only initials and not the full name of the BCBA. TRICARE guidance requires ABA providers to sufficiently document a summary of the covered ABA services attempted during the session as well as clearly identify the authors of the entries.<sup>23</sup> According to TRICARE guidance, failure to adequately document medical care will result in complete or partial denial of the claim.<sup>24</sup>

Based on available records reviewed for this report, the DHA autism care team determined that the TRICARE North Region contractor should not have approved the treatment plan because the goals were generally non-medical or were for non-covered ABA services, such as a social skills group. Additionally, the treatment plan identified behavior technician oversight and facilitation in a classroom setting akin to an adult shadow—no ABA techniques or interventions were identified.

5. The TRICARE North Region contractor paid \$172 for 4 hours of ABA services provided by a BT in June 2016 to an adolescent TRICARE beneficiary. The ABA company submitted the session note for services that stated the service provider and beneficiary watched videos related to cooking and made crafts during the 4-hour session. However, the beneficiary’s treatment plan did not list cooking or making crafts; therefore, the beneficiary did not receive the agreed-upon covered ABA services during the session.

Based on available records reviewed for this report, the DHA autism care team determined that the TRICARE North Region contractor should not have approved the treatment plan because it contained goals that were not related to covered ABA services. The treatment plan had 13 goals listed, 2 of which were under the purview of medically necessary ABA services: “maladaptive behaviors” for “violence and aggression.” However, 11 goals

<sup>23</sup> TOM 6010.56-M.

<sup>24</sup> TOM 6010.56-M.

included in the treatment plan were not related to covered ABA services, including goals for anxiety, depression, job searching, shopping, money management, and daily chores.

6. The TRICARE North Region contractor paid \$125 for 2.5 hours of ABA services provided by a BT and \$250 for 2 hours provided by a BCBA on March 5, 2015, to a 4-year-old TRICARE beneficiary. However, the session note did not summarize the covered ABA services that were performed by the BT during the 2.5-hour session, and there was no session note for the 2 hours billed by the BCBA. TRICARE guidance requires ABA providers to document a summary of the covered ABA services attempted during the session, which was not done.<sup>25</sup> In addition, the ABA company may have concurrently billed for the ABA service conducted by the BCBA and the BT, which is not allowable.<sup>26</sup>

Based on available records reviewed for this report, the DHA autism care team determined that the treatment plan submitted did not cover the timeframe of the ABA claim under review. However, in the treatment plans submitted for this review, it was noted that many of the goals copied language from the assessment tools, suggesting that the treatment plan was not tailored to the beneficiary. Additionally, one goal in the plan was academic-related, which is not a covered domain for ABA services.

## DHA Needs to Perform Comprehensive Medical Reviews on ABA claims

The DHA did not detect these improper payments because the DHA did not

The DHA did not perform comprehensive medical reviews on a statistically representative sample of ABA claims.

perform comprehensive medical reviews on a statistically representative sample of ABA claims. Comprehensive medical reviews typically involve manual examinations of each ABA claim, including documentation from the ABA company, such as session notes and treatment plans. Such reviews determine whether the services were billed properly and were covered, reasonable, and necessary. Reviews should compare the beneficiaries' ABA session notes to the ABA claims to determine whether all required documentation exists and is adequate. TRICARE

guidance does not explicitly state that the contractor should review ABA claims, but it does require the contractor to perform quality monitoring and oversight to prevent improper payments.

<sup>25</sup> TOM 6010.56-M.

<sup>26</sup> Concurrent billing occurs when the ABA company bills for multiple ABA providers during one ABA session with a beneficiary when more than one ABA provider was present. Concurrent billing is not allowed by TOM 6010.56-M.

In a prior audit, we determined that the DHA made improper payments for ABA services to five ABA companies within the same geographic area in the TRICARE South Region that generally billed at the highest possible rate.<sup>27</sup> Specifically, through its contractor, the DHA improperly paid \$34,591.29 for 144 claim line items.

For example, we found that:

- two of the five ABA companies provided unreliable documentation for a total of 13 sample claim line items, resulting in an overpayment of \$5,877.50;
- 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; and
- 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.

As a result, we projected that the DHA improperly paid \$1.9 million of the total \$3.1 million paid to the five companies for ABA services performed in 2015. We recommended that the Director, DHA, conduct comprehensive medical reviews of ABA companies in the TRICARE South Region that show indicators of improper payments, including, but not limited to, companies billing 6 or more hours a day for children 4 years of age or younger, and compare medical records to ABA company claims to determine whether the charges were appropriate.


During our audit of the TRICARE North Region, we identified systemic improper payments that included not only high-risk ABA companies, but ABA companies with low risk profiles as well.<sup>28</sup> Because we identified significant improper payments in the TRICARE North Region, even for ABA companies that do not show indicators of improper payments, it is probable that the TRICARE South and West Regions also have ABA companies that are not properly documenting covered ABA services provided to TRICARE beneficiaries.

<sup>27</sup> DoDIG-2017-064, "The Defense Health Agency Improperly Paid for Autism-Related Services to Selected Companies in the TRICARE South Region," March 10, 2017.

<sup>28</sup> High-risk ABA companies are defined by aggregation of the predictive model's improper payment estimates across all claim submissions from an individual ABA company during 2015 and 2016. We then rank ordered ABA companies based upon their relative risk to one another.

## DHA Improperly Paid ABA Claims Totaling Millions of Dollars

The DHA lacked assurance that payments for covered ABA services provided in the TRICARE North Region were accurate and appropriate. We project that in 2015 and 2016, the DHA improperly paid \$81.2 million for ABA services to the ABA companies in the TRICARE North Region. These payments were made with insufficient or no supporting documentation. It is critical that the DHA conduct comprehensive medical reviews on a statistically valid number of ABA providers' claims for the TRICARE North, South, and West Regions to determine whether all required supporting documentation exists and is adequate.



DHA  
improperly  
paid \$81.2 million  
for ABA services to  
the ABA companies  
in the TRICARE  
North Region.

## Recommendations, Management Comments, and Our Response

### Recommendation 1

We recommend that the Director, Defense Health Agency:

- a. **Revise policy to require annual comprehensive medical reviews on a statistically representative sample of ABA providers' claims for the TRICARE North, South, and West Regions to ensure that an adequate number of claims are reviewed. Reviews should compare the beneficiaries' session notes to the providers' claims to determine whether all required documentation exists and adequately supports payments received. The reviews should cover claims from 2015 and all future years.**

### *Defense Health Agency Comments*

The DHA Director agreed with our recommendation and potential monetary benefits. The Director stated that the DHA revised their policy to require annual comprehensive medical reviews on ABA claims for the TRICARE Regions from 2015 and all future years. DHA completed policy changes with the publication of the TRICARE Operations Manual, Change-16, on December 29, 2017. The DHA Director stated the TRICARE Operations Manual, Change-16, requires the following monitoring activities:

- Conduct comprehensive medical reviews on a statistically valid number of ABA providers' claims to ensure an adequate number of claims are reviewed.



- Reviews shall compare the beneficiaries' session notes to the provider's claims to determine whether all required documentation exists and is adequate to support the charges.
- The contractor shall take corrective action on claims, which indicate improper payments including but not limited to, payment recoupment. Contractors shall refer cases to DHA Program Integrity as appropriate.

### *Our Response*

Comments from the DHA Director met all specifics of the recommendation. We also verified that the DHA updated the TRICARE Operations Manual accordingly. Therefore, the recommendation is resolved and closed.

- b. Review and pursue appropriate action, such as recouping any overpayments, on the claims in our sample for which there was insufficient or no documentation from the applied behavior analysis companies.**

### *Defense Health Agency Comments*

The DHA Director agreed with our recommendation and potential monetary benefits, stating that the DHA will refer all cases identified by the audit to the TRICARE East region contractor (formerly TRICARE North Region) and the DHA Program Integrity office for appropriate action. Also, the DHA Director stated that the DHA will provide a status update in their semi-annual report.

### *Our Response*

Comments from the DHA Director met all specifics of the recommendation; therefore, the recommendation is resolved. We will close the recommendation once we verify that the DHA took appropriate action, such as recouping any overpayments on the claims in our sample for which there was insufficient or no documentation from the ABA companies.

The DHA Director also requested that we incorporate 10 minor changes into the report, which we have done, such as adding "covered" before ABA services, noting that the TRICARE Regions are now East and West, and explaining that the DoD Comprehensive Autism Care Demonstration was extended to December 31, 2023. Finally, the DHA Director indicated that the DHA believed the report should be marked "For Official Use Only" because it contained sensitive patient information. Subsequently, we worked with DHA officials to revise the report to exclude the sensitive patient information and are releasing this report with no markings.

## Appendix A

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### Scope and Methodology

We conducted this performance audit from February 2017 through January 2018 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 objective, we interviewed officials from the DHA and the TRICARE North Region contractor. We reviewed the TRICARE Operations Manual (TOM) 6010.56-M, chapter 18, section 18, February 1, 2008.

We obtained all the TRICARE North Region ABA claims data from the Military Health System Data Repository (MDR) for 2015 and 2016. This totaled 1,388,078 claim line items, valued at \$120,078,121.

Using audit results from a previous audit report (DODIG-2017-064), the DoD OIG Quantitative Methods Division (QMD) created a step-wise linear regression (a type of predictive model) that identified several statistical risk factors and subsequent overpayment estimates based upon provider claim submissions. The Quantitative Methods Division then created a stratified, statistically representative sample of 389 claim line items from 120 ABA companies, valued at \$58,341, based upon the mutually exclusive risk categories that were created as a function of the model. See Appendix C for more details.

We provided a list of the sampled ABA claim line items to the TRICARE North Region contractor to request the session notes and other supporting documentation from the ABA companies. Specifically, the TRICARE North Region contractor sent letters to 118 ABA companies requesting supporting documentation for 354 claim line items, valued at \$51,703, within 14 days. If the TRICARE North Region contractor did not receive the supporting documentation within 14 days, the TRICARE North Region contractor sent a second letter providing an additional 10 days to provide the supporting documentation. After the second deadline, the TRICARE North Region contractor was allowed to recoup the ABA claim from the ABA company. Therefore, we concluded that if the TRICARE North Region contractor did not receive the documentation from the ABA company within that timeframe, the ABA company failed to provide the supporting documentation.

Also, we conducted unannounced site visits at two ABA companies in the TRICARE North Region and attempted to obtain ABA session notes for each of the 35 claim line items, valued at \$6,638, in our sample.

After we gathered the session notes and other supporting documentation, we determined whether the ABA companies' session notes supported what the ABA companies billed the TRICARE program, in accordance with TOM 6010.56-M, February 1, 2008, chapter 18, section 18, C-154. Specifically, we determined whether the DHA made overpayments by reviewing whether:

1. the ABA company provided session notes that met TRICARE standards, such as date and time of the session, length of the session, and content of the session;
2. the number of units billed equaled the time noted in the session notes; and
3. the ABA company billed for multiple ABA providers during one ABA session with a beneficiary when more than one ABA provider was present (concurrent billing).

After we completed our initial review of the 389 claim line items, we consulted with the DHA, Clinical Support Division, and received clinical feedback on our reviews of the ABA session notes in our sample. The Clinical Support Division also reviewed the treatment plans for the six specific examples listed in the report.

We used the overpayments for the 389 claim line items to project the total overpayments for the TRICARE North Region. 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 North Region. Our universe consisted of all claims data from the MDR for 2015 and 2016 for ABA services performed in the TRICARE North Region. We developed a statistical sample of 389 claim line items to determine whether the TRICARE North Region contractor properly processed claims submitted by ABA companies.

We conducted numerous system tests on the MDR data by examining the controls for processing ABA services claims at the TRICARE North Region claims processor. Based on our testing, we determined that the North Region ABA services data from the MDR were sufficiently reliable for the purpose of the report.

## Use of Technical Assistance

The DoD OIG QMD provided the statistical sample of 389 ABA claim line items for review. See Appendix C for a summary of the projection methodology.

## Prior Coverage

During the last 5 years, the DoD OIG issued one report discussing ABA services. Unrestricted DoD OIG reports can be accessed at <http://www.dodig.mil/reports.html/>.

Report No. DODIG-2017-064, “The Defense Health Agency Improperly Paid for Autism-Related Services to Selected Companies in the TRICARE South Region,” March 10, 2017

The DHA made improper payments for ABA services to five ABA companies in the TRICARE South Region. We projected that the DHA improperly paid \$1.9 million of the total \$3.1 million paid to the five companies for ABA services performed in 2015.

## 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 ABA claim was billed properly, and was covered, reasonable, and necessary.	Undeterminable. Amount is subject to results of the DHA's review of ABA claims in future years.	Defense Health Program-97X0130
1.b	Internal Controls. This post-payment control will identify improper payments for ABA claims in our audit sample.	Questioned costs in the amount of \$81.2 million for 2015 and 2016 ABA claims in the North Region. At the time of the audit, such costs were not supported by adequate documentation.	Defense Health Program-97X0130

## Appendix C

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### Summary of Projection Methodology for the TRICARE North Region Applied Behavior Analysis Claims

With the assistance of the DoD OIG QMD, we developed a statistical sample to project the amount of improper payments for all ABA services that were paid in 2015 and 2016 within the TRICARE North Region.

#### ***Quantitative Plan***

The TRICARE North Region population consisted of 1,388,073 claim line items, valued at \$120,078,121, for all ABA services provided to beneficiaries in 2015 and 2016. Using validated data from previous audits of autism-related services (DODIG-2017-064), QMD created a predictive analytic model that created five mutually exclusive risk categories based upon the underlying attributes of the claim as submitted by the providers. We then assigned each claim line from the entire TRICARE North Region to one of the five risk categories and created a stratified sample that was statistically representative of the entire population.

#### ***Predictive Analytic Model***

Using validated data from a previous audit report (DODIG-2017-064), QMD established five mutually exclusive risk categories by creating a step-wise linear regression (a type of predictive model) that identified statistical risk factors and subsequent overpayment estimates based upon previous provider claim submissions that resulted in both proper and improper payments. The presence or absence of these risk factors on provider claim submissions produced estimates of overpayment that ranged from \$350.48 (Category B) to \$0.00 (Category E) per individual claim line submitted. The Category A stratum consists of all other claim line items that could not be evaluated by the model for overpayments based upon missing data from the validation dataset referenced above. The defining attributes from each risk category were then used to classify all 1,388,073 claim line items from TRICARE North Region for 2015 and 2016 into their respective strata for attribute sampling.

#### ***Sample Plan***

We used an attribute sample design that was stratified by five mutually exclusive risk categories as defined by the predictive analytic model. Within each stratum, we randomly selected claim line items that were representative of each risk category's claims submissions for 2015 and 2016. A total of 389 claim line items were selected, as shown in Table 2.



*Table 2. Population and Sample Breakdown*

Risk Category	Population Size	Total Paid	Sample Size (claim line items)	Sample Amounts paid
Category A	223,815	\$23,778,053	144	\$15,925
Category B	52,124	16,456,794	69	21,551
Category C	54,028	14,096,531	50	13,534
Category D	117,422	8,264,963	56	3,576
Category E	940,684	57,481,780	70	3,754
<b>Total</b>	<b>1,388,073</b>	<b>\$120,078,121</b>	<b>389</b>	<b>\$58,341</b>

NOTE: Totals may not equal the actual sum because of rounding.

Source: DoD OIG.

### ***Statistical Projections and Interpretation***

Based upon the sample results, we project at a 95-percent confidence level that the improper payments made from 2015 and 2016 to TRICARE North providers is between \$69,778,931 and \$92,611,279 with a point estimate of \$81,195,105, as shown in Table 3.

*Table 3. Projected Overpayments*

	Lower Bound	Point Estimate	Upper Bound
Dollar Value	\$69,778,931	\$81,195,105	\$92,611,279

Source: DoD OIG.

## Management Comments

### DHA Comments for Autism North



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FEB - 8 2018

[REDACTED]

Acquisition, Contracting, and Sustainment  
U.S. Department of Defense Office of Inspector General  
4800 Mark Center Drive  
Alexandria, VA 22350-1500

Dear [REDACTED]:

This letter is the Defense Health Agency (DHA) response to the Department of Defense (DoD) Office of Inspector General (IG) Report, Project No. D2017-D000CJ-0077.000, "TRICARE North Region Payments for Applied Behavior Analysis Services for the Treatment of Autism Spectrum Disorder," dated January 12, 2018.

Thank you for the opportunity to comment on Project No. D2017-D000CJ-0077.000. I concur with the report's findings, conclusions, and recommendations and appreciate the DoD IG's efforts in reviewing this subject. The DHA concurs with the claims monitoring approach recommended by the DoD IG as well as the potential monetary benefit. We also concur with the "For Official Use Only" marking as this document contains sensitive patient information even though the specific patients are not identified. We have taken the following actions regarding your recommendations:

Recommendation #1 a: "Revise policy to require annual comprehensive medical reviews on a statistically representative sample of applied behavior analysis (ABA) providers' claims for the TRICARE North, South, and West Regions to ensure that an adequate number of claims are reviewed. Reviews should compare the beneficiaries' session notes to the providers' claims to determine whether all required documentation exists and adequately supports payments received. The reviews should cover claims from 2015 and all future years."

DHA Response: Concur. DHA completed policy changes with publication of the TRICARE Operations Manual (TOM), Chapter 18, Section 4, DoD Comprehensive Autism Care Demonstration (ACD), Change-16, on December 29, 2017. This change enhances the process of quality monitoring and oversight of claims submitted for ABA services for eligible TRICARE beneficiaries. These changes reflect the DoD IG's recommendations of conducting annual comprehensive medical reviews on a statistically representative sample of ABA providers' claims for the TRICARE East and West (formally North, South, and West) Regions. DHA will direct contractors to complete reviews back to 2015. To conduct proper oversight for the potential of improper payments, and to verify that ABA services are appropriately performed as reflected on submitted claims, Change-16 requires the following monitoring activities:

- Conduct comprehensive medical reviews on a statistically valid number of ABA providers' claims (for Current Procedural Terminology codes listed in paragraphs 12.1 through 12.6 of TOM, Chapter 18, Section 4) to ensure an adequate number of claims are reviewed.

## DHA Comments for Autism North (cont'd)

- Reviews shall compare the beneficiaries' session notes to the provider's claims to determine whether all required documentation exists and is adequate to support the charges.
- The contractor shall take corrective action on claims which indicate improper payments, including, but not limited to, payment recoupment. Contractors shall refer cases to DHA Program Integrity, as appropriate.

Recommendation #1 b: "Review and pursue appropriate action, such as recouping any overpayments, on the claims in our sample for which there was insufficient or no documentation from the applied behavior analysis companies."

DHA Response: Concur. We will refer all cases identified by the audit to our TRICARE East region contractor (formerly TRICARE North Region) and Program Integrity (PI) office for appropriate action. We will provide a status update with our semi-annual report.

Other comments: The following edits to the draft report are submitted for your consideration:

1. General comment – recommend distinguishing that this audit was complete when there were three regions and now there are two regions. This may not be a critical element, but there is no mention of the current state of the regions.
2. Please insert the word "covered" before any reference to ABA services as TRICARE does not cover all ABA services, i.e., group ABA services, social skills training, etc.
3. Please change all references to "According to a clinical psychologist at DHA" to "Based on available records reviewed for this report, the DHA autism care team determined that the TRICARE..."
4. Page 2, paragraph 1 – please add the end date to the TRICARE North region contract: "DHA contracting officials awarded the TRICARE North Region managed care support contract on May 13, 2010. This contract expired December 31, 2017."
5. Page 2, paragraph 2 – please add that the TRICARE Autism Care Demonstration has been extended to December 31, 2023.
6. Page 3, paragraph 2 – please revise "certain services" to "certain supervised services".
7. Page 3, paragraph 3 – recommend a note or comment that other medical benefits/providers are subject to the same audit process, i.e., their notes may be reviewed to ensure compliance. Otherwise, readers of this report may think this is a unique audit process that is applied only to ABA providers.

## DHA Comments for Autism North (cont'd)

8. Page 7, paragraph 3 (1) - please add to the end of this sentence: "...hygiene of the beneficiary, which were not identified as goals on the treatment plan."
9. Page 9, last paragraph – "please add "2 of which were under the purview of medically necessary ABA services:..."
10. Page 11, paragraph 1 – please delete the phrase "...or registered BT." and leave only "certified Behavior Technician (BT)" as "registered BT" is specific to one of 3 types of BTs and is not interchangeable with certified BTs in the general context.

The DoD IG audit results indicate this initiative was a worthwhile effort to identify potentially improper payments to providers participating in the Department's ACD. The DHA used the information from the DoD IG South and North audits to revise policies to conduct comprehensive medical reviews of providers delivering ABA services to eligible TRICARE beneficiaries. The results of our reviews, supported by the DoD IG audit report, will help the DHA improve its quality monitoring and oversight processes to help ensure the DHA appropriately pays for ABA services in all TRICARE Regions. The DHA appreciates DoD IG's support in helping the Department maintain the health and well-being of our Service members, veterans, and their families.

My point of contact is [REDACTED]

[REDACTED] may be reached at [REDACTED]

Sincerely,



R. C. BONO  
VADM, MC, USN  
Director

Enclosure:  
As stated

## Acronyms and Abbreviations

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ABA	Applied Behavior Analysis
ASD	Autism Spectrum Disorder
BCBA	Board Certified Behavior Analyst
BT	Behavior Technician
DHA	Defense Health Agency
MDR	Military Health System Data Repository
QMD	Quantitative Methods Division
TOM	TRICARE Operations Manual

# **Whistleblower Protection**

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