

## Texas Medicaid EHR Incentive Program: Appealing an Audit Finding

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### **The Notification and Appeal Process**

HHSC will follow policies and procedures related to the notification, recoupment and appeal of audit findings related to overpayments of Texas Medicaid Electronic Health Record (EHR) Incentive payments as follows:

(1) (a) HHSC may recoup an overpayment if the overpayment was identified in an audit and resulted in money paid in excess of what the eligible professional (EP) or eligible hospital (EH) is or was entitled to receive under the Texas Medicaid EHR Incentive Program.

(b) Audit procedures.

(1) “Audit” means a financial audit, attestation engagement, performance audit or compliance audit, conducted by or on behalf of the state or federal government. An audit may or may not include site visits to the provider’s place of business.

(2) An audit conducted by HHSC or its contractor must:

(A) Notify the EP or EH of the impending desk or field audit. If the EP or EH is subject to a field audit, the EP or EH must be notified not later than the seventh day before the date the field audit begins, except when the element of surprise is critical to the audit objective;

(B) Limit the period covered by an audit to three years;

(C) Be conducted and reported in accordance with Generally Accepted Governmental Auditing Standards (GAGAS) issued by the Comptroller General of the United States or other appropriate standards;

(D) Conduct an exit interview at the close of a field audit with the EP or EH to review the agency’s/auditor’s initial findings; in the case of a desk audit, provide an audit results notification to the EP or EH with the agency’s/auditor’s initial findings;

(E) At the field audit exit interview or in response to an audit results notification, allow the EP or EH to:

- a. Respond to the questions by the agency/auditor;
- b. Comment, if the EP or EH desires, on the initial findings of the agency/auditor; and
- c. Submit additional supporting documentation, for consideration, that meets the auditing standards required by (C) above, to correct a questioned eligibility criterion, payment amount, or other program requirement, if there is no indication that the error or omission that resulted in the questioned item demonstrates intent to commit fraud;

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- (F) Permit the EP or EH to produce, for consideration, documentation to address any exception found during an audit not later than the 10<sup>th</sup> day after the date the desk audit or field audit is completed;
- (G) Deliver a draft audit report to the EP or EH not later than the 60<sup>th</sup> day after the date the desk audit or field audit is completed to support a proposed adjustment to the EP's or EH's EHR incentive payment;
- (H) Permit the EP or EH to submit for consideration a written response to the draft audit report appealing the findings in the draft audit report not later than the 30<sup>th</sup> day after the date the draft audit report is delivered to the EP or EH. A written appeal may be submitted via email to HHSC at the following address: [EHR\\_audit\\_appeals@hhsc.state.tx.us](mailto:EHR_audit_appeals@hhsc.state.tx.us). The appeal will consist of a desk review by HHSC in conjunction with the auditing division or contractor;
- (I) The auditor may elect whether to issue a revised draft report or to issue a final report; the auditor may revise the draft report as needed to incorporate the management responses and reconsideration of any initial findings; and
- (J) Deliver the final audit report not later than the 180<sup>th</sup> day after the date the desk audit or field audit is completed.