

2007-122 Audit Scope and Objectives—Durable Medical Equipment

The audit by the Bureau of State Audits will provide independently developed and verified information related to the Medi-Cal billing and coding practices regarding DME, including, but not limited to, the following:

1. Review and evaluate the laws, rules, and regulations relevant to the issues.
2. Examine the department's policies, procedures, and instruction manuals under the Medi-Cal program focusing on those for billing and coding to determine whether such policies and procedures comply with federal and state laws and regulations.
3. Review the department's billing and coding practices to determine if they are in compliance with HIPPA and any other relevant federal or state laws and regulations, and determine if any actions are needed to bring state laws or regulations into compliance with federal law.
4. Identify whether the Medi-Cal billing requirements regarding DME have changed since 2003 and how the department responded to these changes.
 - a. Review letters the department sent to Medi-Cal DME providers and instruction manuals for Medi-Cal DME providers, focusing on changes to Medi-Cal billing requirements since 2003.
 - b. Determine whether the department took any actions in response to public comment or pursuant to the letters' stated objectives.
5. Review a sample of DME payments and determine whether the department is accurately paying for DME and whether such payments are consistent with the applicable laws.