REPORT HIGHLIGHTS

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Medicare Could Have Saved an Estimated $17.7 Million if CMS's Oversight Had Prevented At-Risk Payments for Anesthesia Administered During Spinal Pain Management Procedures

Why OIG Did This Audit

- In rare circumstances, Medicare Part B covers the cost of anesthesia administered during certain spinal pain management (SPM) procedures (e.g., facet-joint injections).
- A prior OIG audit of a Medicare Administrative Contractor (MAC) found that the MAC paid physicians for anesthesia administered during 27 of 100 sampled facet-joint injection sessions for which the physicians did not document the need for anesthesia to be administered.
- For this nationwide audit, we identified Medicare Part B payments to physicians for anesthesia administered during selected SPM procedures that were at risk for noncompliance with Medicare requirements.

What OIG Found

Medicare Part B paid physicians $45.7 million for anesthesia administered during selected SPM procedures that were at risk for noncompliance with Medicare requirements. Specifically, Medicare paid for anesthesia that may not have been administered in only rare circumstances.

- Anesthesia was administered during approximately 18 percent of 3.9 million sessions associated with selected SPM procedures, and CMS and the MACs denied payment for anesthesia less than 1 percent of the time that it was billed for these procedures.
- For 20 of 28 sessions in our nonstatistical sample, the enrollees' medical records did not document a rare circumstance in which administering anesthesia was reasonable or necessary for the specific SPM procedure.

Medicare made at-risk payments for anesthesia administered during selected SPM procedures because CMS and MAC oversight was not adequate. If oversight had been adequate, Medicare could have saved an estimated $17.7 million from May 2, 2021, through August 31, 2023. (We calculated this amount using the MACs' expectations of how often anesthesia would be reimbursed for selected SPM procedures, i.e., only in rare circumstances.)

What OIG Recommends

We made four recommendations to CMS, including that CMS direct the MACs to review potentially improper claims for anesthesia administered during selected SPM procedures to determine whether payments for anesthesia complied with Medicare requirements and collaborate with the MACs to develop or update system edits that would lower the risk of improper Medicare payments. The full recommendations are in the report.

CMS did not concur with our first recommendation. CMS concurred with the remaining recommendations.