REPORT HIGHLIGHTS

September 2025 | A-01-23-00500

Hospitals Charged CMS for Trauma Team Activations That Did Not Comply With Federal Requirements

Why OIG Did This Audit

- There has been significant press about trauma care over the past decade including allegations that hospitals are deliberately overusing trauma team activation codes and patients are being forced to pay exorbitant medical costs when the care does not seem to rise to trauma level care.
- There has also been media attention on the variability of trauma fees among hospitals and how much patients are forced to pay.
- This audit assessed whether CMS made Medicare payments to providers for trauma team activations that complied with Federal requirements.

What OIG Found

- CMS made Medicare payments to trauma centers for trauma team activations that did not comply with Federal requirements. Specifically, 107 of 125 sampled claims with trauma team activations did not meet Medicare requirements—100 sampled claims had unallowable trauma team activation charges that totaled $728,468, and 7 sampled claims had coding errors that did not have any impact on payment or charges associated with the trauma team activation.
- We estimated that approximately 77 percent of all claims submitted to Medicare with trauma team activations did not comply with Federal requirements. Additionally, we estimated that hospitals also billed approximately $2.4 billion in unallowable charges for trauma team activations that did not meet Medicare requirements from January 1, 2020, through June 30, 2022.

What OIG Recommends

We made four recommendations, including that CMS take the necessary steps to address the estimated $2.4 billion in unallowable trauma team activation charges reported on hospitals' cost reports and the resulting incorrect outlier payments to improve the accuracy of data used to establish future prospective payment system payment rates. In addition, we made procedural recommendations. The full recommendations are in the report.

CMS did not concur with our first and second recommendations. CMS did not indicate concurrence or nonconcurrence with our third and fourth recommendations but stated that it will review existing guidance and assess the need for additional education.