REPORT HIGHLIGHTS

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Medicare Could Have Saved $301.5 Million if Bundled Payment Rates for Opioid-Use-Disorder Treatment Services Had Reflected Services Provided to Enrollees

Why OIG Did This Audit

- To address the impact of the opioid crisis on Medicare enrollees, a Federal law authorized CMS to make bundled payments to opioid treatment programs (OTPs) for opioid-use-disorder (OUD) treatment services. CMS developed bundled payment rates for OUD treatment services with a requirement that at least one OUD treatment service be provided to an enrollee during a 7-day episode of care.
- As part of OIG's oversight of the stewardship of Federal funds used to combat the opioid crisis, we performed this audit to identify whether vulnerabilities existed related to payments for OUD treatment services and to provide information to CMS to use for future rulemaking and policy development.
- This audit compared the bundled payments for OUD treatment services with payment amounts that we calculated for individual OUD treatment services provided to enrollees during the corresponding episode of care.

What OIG Found

- For 100 sample items, bundled payments for 89 sample items were higher than the OIG-calculated payment amounts based on the OUD services actually provided by OTPs to enrollees.
- Bundled payments generally exceeded OIG-calculated payment amounts because CMS's methodology to determine bundled payment rates did not reflect the combination of specific OUD treatment services and the frequency of treatment services that OTPs provided to enrollees during an episode of care.
- On the basis of our sample results, we estimated that Medicare could have saved $301.5 million (53 percent of $564.6 million in total payments) if the bundled payments developed by CMS had reflected the types and frequency of OUD treatment services provided to enrollees.

What OIG Recommends

We made three recommendations to CMS, including that it use the results of our audit or gather additional information on the combination of OUD treatment services and the frequency of each type of treatment service provided to Medicare enrollees, and consider revising its methodology for determining the nondrug component of weekly bundled payment rates. The full recommendations are in the report.

CMS concurred with one recommendation and described actions it had taken and planned to take to address that recommendation. However, CMS did not concur with our remaining two recommendations.