Report in Brief
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U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES
OFFICE OF INSPECTOR GENERAL

Medicare Hospital Provider Compliance Audit: The Ohio State University Hospital

Why OIG Did This Audit

This audit is part of a series of hospital compliance audits. Using computer matching, data mining, and data analysis techniques, we identified hospital claims that were at risk for noncompliance with Medicare billing requirements. For calendar year 2017, Medicare paid hospitals $206 billion, which represents 55 percent of all fee-for-service payments for the year.

Our objective was to determine whether The Ohio State University Hospital (the Hospital) complied with Medicare requirements for billing inpatient and outpatient services on selected types of claims.

How OIG Did This Audit

We selected for review a stratified random sample of 123 inpatient and 22 outpatient claims with payments totaling $4.1 million for our 2-year audit period (Jan. 1, 2016, through Dec. 31, 2017).

We focused our audit on the risk areas that we identified as a result of prior OIG audits at other hospitals. We evaluated compliance with selected billing requirements.

What OIG Found

The Hospital complied with Medicare billing requirements for 98 of the 145 inpatient and outpatient claims we audited. However, the Hospital did not fully comply with Medicare billing requirements for the remaining 47 claims, resulting in net overpayments of $335,832 for the audit period. Specifically, 26 inpatient claims had billing errors, resulting in overpayments of $291,998, and 21 outpatient claims had billing errors, resulting in overpayments of $43,834.

On the basis of our sample results, we estimated that the Hospital received overpayments of at least $3.7 million for the audit period.

What OIG Recommends and Hospital Comments

We recommend that the Hospital refund to the Medicare contractor $3.7 million in estimated overpayments for incorrectly billed services that are within the 4-year claim reopening period; exercise reasonable diligence to identify, report, and return any overpayments in accordance with the 60-day rule; and strengthen controls to ensure full compliance with Medicare requirements. The detailed recommendations are included in the body of the report.

In written comments on our draft report, the Hospital disagreed with most of our findings and recommendations. The Hospital agreed with some of the errors identified in the sample and repaid Medicare $396,025. However, the Hospital disagreed with OIG's extrapolation, audit design, and methodology. In addition, the Hospital disagreed with several of the medical review determinations and the application of the 60-day rule for specific claims.

After review and consideration of the Hospital's comments, we maintain that our findings and the associated recommendations are valid. The use of statistical sampling to determine overpayment amounts in Medicare is well established and has repeatedly been upheld on appeal in Federal courts. We submitted the claims selected for review to an independent medical review contractor that reviewed the medical records in their entirety to determine whether the services were medically necessary and provided in accordance with Medicare coverage and documentation requirements. Regarding the Hospital's claim that the 60-day repayment rule is not applicable to specific claims, we maintain that our findings are valid and that this audit report constitutes credible information of potential overpayments.