

Report in Brief

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



Why OIG Did This Audit

We performed survey work on calendar year 2019 Medicare Part B claims and found that Critical Access Hospitals (CAHs) were paid for professional services provided by health care practitioners that received payment for the same services provided at the CAH. Generally, Medicare should not pay both a CAH and health care practitioner for professional services.

Our objective was to determine whether Medicare Part B payments to CAHs for professional services and payments made to health care practitioners for the same services complied with Federal requirements.

How OIG Did This Audit

Our audit covered 40,026 Medicare Part B claims, 20,013 claims submitted by CAHs and 20,013 claims submitted by health care practitioners, for the same professional services provided to the same beneficiaries on the same dates of service from March 1, 2018, through February 28, 2021 (audit period). Medicare paid CAHs \$1.0 million and paid health care practitioners \$872,858 for these 40,026 claims.

We reviewed Federal requirements for reassigning professional billing rights to CAHs. To conduct our audit, we used data analysis techniques to identify overpayments for professional billing by both the CAH and the health care practitioner.

Medicare Part B Overpaid and Beneficiaries Incurred Cost-Share Overcharges of Over \$1 Million for the Same Professional Services

What OIG Found

Not all Medicare Part B payments made to CAHs for professional services and payments made to health care practitioners complied with Federal requirements. For the 40,026 claims we audited, CAHs and health care practitioners each submitted an equal number of claims. However, for each date of service, only one of the claims complied with Federal requirements. As a result, Medicare administrative contractors (MACs) paid providers \$907,438 more than they should have been paid, and beneficiaries were held responsible for \$281,321 more than they should have been.

These overpayments occurred because CMS did not have claim system edits to prevent and detect duplicate professional services claims for the same date of service, beneficiary, and procedure.

What OIG Recommends and CMS Comments

We recommend that CMS (1) direct the MACs to recover the \$331,448 from the CAHs for 12,156 claims for which the health care practitioners had not reassigned their billing rights to the CAHs and \$83,412 in cost-sharing overcharges to Medicare beneficiaries that are within the 4-year reopening period and (2) direct the MACs to recover the \$575,990 from health care practitioners for 7,857 claims for which the health care practitioners had reassigned their billing rights to the CAHs and \$197,909 in cost-sharing overcharges to beneficiaries that are within the 4-year reopening period. See the audit report for additional recommendations.

CMS concurred with all recommendations except the recommendation to develop system edits or alternative means to prevent and detect overpayments for professional service payments. We maintain that our recommendation is valid. CMS provided reasons why it did not concur with our recommendation to develop and implement system edits to prevent and detect overpayments for professional service payments. In addition, CMS stated that additional action may not be appropriate at this time due to the low dollar amount of the errors. CMS could conduct postpayment review of professional claim data, like the OIG audit methodology discussed in this report, to detect duplicate claims. If CMS developed alternative means to detect duplicate professional service payments, CMS could recoup payments from providers, and beneficiaries would be reimbursed for any overcharges.