

Report in Brief

Date: March 2021

Report No. A-09-19-03022

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



Why OIG Did This Audit

Prior OIG work found that Medicare inappropriately paid for services that were billed as being distinct or significant and separately identifiable from other services provided on the same day. Our analysis showed that in 2018, an ophthalmology clinic in California (the Clinic) frequently billed for other services as being unrelated to, distinct from, or significant and separately identifiable from intravitreal (inside the eye) injections of the drugs Eylea and Lucentis.

Our objective was to determine whether the Clinic complied with Medicare requirements when billing for intravitreal injections of Eylea and Lucentis and for other services provided on the same day as the injections.

How OIG Did This Audit

Our audit covered Medicare Part B payments of \$4.3 million for intravitreal injections of Eylea and Lucentis (and for other services provided on the same day as the injections) that the Clinic provided in 2018. We reviewed a stratified random sample of 100 beneficiary days, consisting of 627 services and drugs. (A beneficiary day consisted of all services and drugs provided on a date of service to a beneficiary in which intravitreal injections of Eylea or Lucentis were administered.) For each sampled beneficiary day, we provided copies of the medical records to an independent medical review contractor to determine whether the services and drugs were properly billed.

An Ophthalmology Clinic in California: Audit of Medicare Payments for Eye Injections of Eylea and Lucentis

What OIG Found

The Clinic generally complied with Medicare requirements when billing for intravitreal injections of Eylea and Lucentis, which accounted for 88 percent of the total payments in our sample. (All of these injections complied with Medicare requirements except for three injections of Eylea.) However, the Clinic did not always comply with Medicare requirements when billing for other services provided on the same day as the intravitreal injections (e.g., injections of an anesthesia drug). For 326 of the 627 services and drugs associated with the 100 sampled beneficiary days, the Clinic complied with the requirements. However, for the remaining 301 services and drugs, the Clinic did not comply with the requirements: 195 services were not separately payable, and 106 services and drugs were not reasonable and necessary.

Because the Clinic's medical director was unfamiliar with Medicare's billing requirements, the Clinic did not have policies and procedures to ensure that services and drugs billed to Medicare were correctly billed or reasonable and necessary. On the basis of our sample results, we estimated that at least \$398,625 of the \$4.3 million paid to the Clinic for intravitreal injections of Eylea and for other services provided on the same day as intravitreal injections of Eylea and Lucentis was unallowable for Medicare reimbursement.

What OIG Recommends and the Clinic's Comments

We recommend that the Clinic: (1) refund to the Medicare contractor \$398,625 in estimated overpayments for intravitreal injections of Eylea and for other services provided on the same day as intravitreal injections of Eylea and Lucentis and (2) based upon the results of this audit, exercise reasonable diligence to identify, report, and return any overpayments in accordance with the 60-day rule. We also make two procedural recommendations on implementing policies and procedures to ensure that the Clinic complies with Medicare requirements. The full text of our recommendations is shown in the report.

The Clinic expressed concern over two of our findings and disagreed with our finding on the three injections of Eylea. The Clinic concurred in part with our first recommendation and stated that it will repay overpayments for services that will not be subject to an appeal. The Clinic concurred with our remaining recommendations and provided information on actions that it planned to take to address our recommendations. After reviewing the Clinic's comments, we maintain that our findings and recommendations remain valid.