

Report in Brief

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



Why OIG Did This Audit

In 1979, the General Accounting Office (now the Government Accountability Office) issued a report that found Medicare made duplicate payments of more than \$72,000 for certain medical services provided to veterans eligible for benefits from both Medicare and the Department of Veterans Affairs (VA), Veterans Health Administration (VHA). Because duplicate payments made by Medicare and VHA have been a longstanding issue, we conducted this audit to determine whether Medicare and VA paid duplicate claims for medical services from January 2017 through December 2021 (audit period) and to identify measures that could be taken to address duplicate payments.

Our objective was to determine whether Medicare paid providers for medical services that were authorized and paid for by VA's community care programs.

How OIG Did This Audit

Our audit covered \$19.2 billion in Medicare Parts A and B payments for 36.3 million claims for individuals eligible for Medicare and VHA benefits who received services from VA's community providers during our audit period. The \$19.2 billion was associated with all claims related to these individuals irrespective of whether VHA authorized and paid for the claims. After obtaining claims data from VA, we identified paid Medicare claims from CMS data and performed a match to determine whether an enrollee had a paid claim in both the Medicare and VHA claim datasets.

Medicare Could Have Saved Up To \$128 Million Over 5 Years if CMS Had Implemented Controls To Address Duplicate Payments for Services Provided to Individuals With Medicare and Veterans Health Administration Benefits

What OIG Found

Medicare paid providers for medical services that were authorized and paid for by VA's community care programs during our audit period, resulting in duplicate payments of up to \$128 million. VHA is solely responsible for paying providers for medical services that it authorized.

These duplicate payments occurred because CMS did not implement controls to address duplicate payments for services provided to individuals with Medicare and VHA benefits. Specifically, CMS did not establish a data-sharing agreement with VHA for the ongoing sharing of data between the two agencies and did not develop an interagency process to include VHA enrollment, claims, and payment data in CMS's data repository. Inclusion of these data, which is required by Federal law, would have allowed CMS to compare VHA claims data with existing Medicare claims data to identify duplicate claims paid for by both Medicare and VHA. Because CMS did not develop an interagency process, CMS did not establish an internal process (such as claims processing system edits) to address duplicate payments for medical services authorized and paid for by VHA. Furthermore, CMS guidance to providers on VA's responsibility to pay for medical services did not clarify that a provider should not bill Medicare for a medical service that was authorized by VHA.

What OIG Recommends and CMS Comments

We recommend that CMS: (1) establish a comprehensive data-sharing agreement with VHA for the ongoing sharing of data; (2) establish an interagency process to integrate VHA enrollment, claims, and payment data into the CMS Integrated Data Repository to identify potential fraud, waste, and abuse under the Medicare program; (3) establish an internal process (such as system edits) to address duplicate payments made by Medicare for medical services authorized and paid for by VHA, which could have saved Medicare up to \$128 million during our audit period; and (4) issue guidance to providers on not billing Medicare for a medical service that was authorized by VHA.

CMS concurred with all of our recommendations and described actions that it had taken or planned to take to address our recommendations, including working to develop processes to address duplicate payments for services authorized and paid for by VHA.