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Podiatrists' Claims for Evaluation and Management Services Did Not Comply With Medicare Requirements

Why OIG Did This Audit

- Medicare covers evaluation and management (E/M) services when the service is reasonable and necessary for the diagnosis or treatment of illness or injury or to improve the functioning of a malformed body member.
- A 2010 OIG report found that Medicare inappropriately paid \$6.7 billion for E/M claims that were incorrectly coded or were insufficiently documented. We conducted this audit to determine whether these compliance issues existed for payments to podiatrists for E/M services performed from January 1 through December 31, 2019 (audit period).
- This audit examined whether podiatrists' claims for E/M services billed with modifier 25—which indicates that an E/M service was significant and separately identifiable from another procedure or service performed on the same day—complied with Medicare requirements.

What OIG Found

- Of the 100 sampled claims, 44 podiatrists' claims for E/M services did not comply with Medicare requirements.
- During our audit period, CMS's oversight may not have been sufficient to prevent improper payments.
- On the basis of our sample results, we estimated that, of the \$222.5 million paid by Medicare for our audit period, approximately \$39.6 million did not comply with Medicare requirements.

Noncompliant Claims (by Type of Noncompliance)

Insufficient documentation or no documentation	27
Incorrect coding	17
E/M not significant and separately identifiable	5

The number of compliant claims is 56.

The total number of noncompliant sampled claims is greater than 44 because 5 claims had more than 1 type of noncompliance.

What OIG Recommends

We recommend that CMS work with the Medicare Administrative Contractors to determine whether additional oversight is necessary to prevent improper payments associated with podiatrists' billing of E/M services with modifier 25, which amounted to an estimated \$39.6 million for our audit period.

CMS concurred with our recommendation.