

Report in Brief

Date: July 2018

Report No. A-09-17-03002

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



Why OIG Did This Review

The Centers for Medicare & Medicaid Services (CMS) allows physicians and specific nonphysician practitioners to order certain items or services for Medicare beneficiaries. On September 1, 2011, CMS clarified that chiropractors are not included in these practitioner types. Coverage of chiropractic services is specifically limited to treatment through manual manipulation. For example, Medicare does not cover diagnostic services, such as x-rays, ordered by a chiropractor.

Our objective was to determine whether Medicare payments for selected items and services ordered by chiropractors complied with Federal requirements.

How OIG Did This Review

Our review covered \$6.7 million in Medicare payments for 65,855 claims for items and services that we identified as having been ordered by chiropractors and that had dates of service during calendar years 2013 through 2016 (audit period). Our review covered claims only for imaging services; clinical laboratory services; durable medical equipment, prosthetics, orthotics, and supplies; and home health agency services.

To select these claims for review, we used CMS's provider enrollment records to obtain a listing of the National Provider Identifiers (NPIs) of chiropractors and identified claims on which an NPI of a chiropractor was indicated as having ordered the items or services.

Medicare Improperly Paid Providers for Items and Services Ordered by Chiropractors

What OIG Found

Medicare payments for selected items and services ordered by chiropractors did not comply with Federal requirements. Specifically, for our audit period, Medicare improperly paid providers \$6.7 million. As of the publication of this report, this improper payment amount includes claims outside of the 4-year claim-reopening period.

Medicare overpaid providers because CMS's claims processing edits were not fully effective in preventing overpayments. Although CMS began using claims processing edits on October 5, 2009, to issue an informational message to alert a billing provider that a chiropractor was not eligible to order an item or a service billed, CMS did not begin using these edits to deny claims until January 6, 2014. Of the \$6.7 million in improper payments for our audit period, \$5.9 million (89 percent) were for items and services in calendar year 2013, before CMS's implementation of the January 2014 edits.

What OIG Recommends and CMS Comments

We recommend that CMS direct the Medicare contractors to recover the portion of the \$6.7 million in overpayments to providers for claims that are within the reopening period. We also recommend that CMS instruct the Medicare contractors to notify providers of potential overpayments so that those providers can exercise reasonable diligence to investigate and return any identified similar overpayments and identify and track any returned overpayments. Finally, we recommend that CMS revise the claims processing edits to ensure that all claims for items and services ordered by chiropractors are denied.

CMS concurred with our first and second recommendations and provided information on actions that it planned to take to address those recommendations. However, CMS did not concur with our third recommendation and stated that the existing claims processing edits already deny payment for the majority of improper payments related to ordering chiropractors. Although CMS's implementation of the 2014 edits significantly reduced the number of claims that Medicare paid for items or services ordered by chiropractors, revising the edits would identify additional claims that were unallowable for payment.