

REPORT HIGHLIGHTS



July 2026 | A-06-21-04002

Novitas Solutions, Inc., Improperly Paid Approximately \$19.5 Million for Selected Medicare Part B Services Provided to Patients Residing in Nursing Homes

Why OIG Did This Audit

- Medicare Part B (Part B) covers many medical services provided to patients, including those residing in nursing homes. Providers of these medical services submit separate claims from the nursing homes to Part B for the services rendered.
- For the period October 1, 2018, through September 30, 2019 (audit period), our data analysis found that evaluation and management, psychotherapy, podiatry, and wound care services (collectively referred to as “selected services”) were the most common Part B services provided to patients residing in nursing homes.
- This audit assessed whether Novitas Solutions, Inc. (Novitas), a Medicare contractor, made payments to providers in one of its two jurisdictions for selected Part B services provided to patients residing in nursing homes that met Medicare requirements and guidance.

What OIG Found

- Of the 150 sample items, 91 did not meet Medicare requirements and guidance for evaluation and management, psychotherapy, or podiatry services provided to patients residing in nursing homes.
- During our audit period, Novitas’s oversight of provider billing and provider education was not sufficient to ensure that the providers fully understood Medicare coding and documentation requirements for the selected services.
- On the basis of our sample results, we estimated that Novitas improperly paid approximately \$19.5 million for the selected services that did not meet Medicare requirements and guidance.

What OIG Recommends

We made two recommendations to Novitas, including that it implement additional oversight to prevent improper payments associated with provider billing of the selected services, which could have saved an estimated \$19.5 million for our audit period, and provide annual education to providers and their billing staff specific to the Medicare requirements and guidance for billing the selected services.

Novitas concurred with our recommendations.