

REPORT HIGHLIGHTS



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Methodist Hospital Received at Least \$12.4 Million in Medicare Overpayments

Why OIG Did This Audit

- For calendar year 2021, Medicare paid hospitals \$182 billion, which represents 46 percent of all fee-for-service payments; accordingly, it is important that hospital payments comply with requirements.
- This audit is part of a series of audits examining hospitals with a high volume of claims previously identified as high-risk for noncompliance.
- Methodist Hospital (the Hospital) was selected because it submitted a substantial number of potentially high-risk claims to Medicare.

What OIG Found

- Of the 100 inpatient and outpatient claims we reviewed totaling \$1,426,020, the Hospital complied with Medicare billing requirements for 73 claims. However, it did not fully comply with Medicare billing requirements for the remaining 27 claims, resulting in net overpayments of \$256,926 from January 1, 2020, through December 31, 2021 (audit period).
- We estimated that, of the \$62 million Medicare paid the Hospital, the Hospital received a net overpayment of at least \$12.4 million for selected types of inpatient and outpatient services that did not comply with Medicare requirements during the audit period.
- These errors occurred primarily because the Hospital did not always follow its written policies and procedures to prevent the incorrect billing of Medicare claims within the selected risk areas that contained errors.

What OIG Recommends

We recommend that the Hospital refund to the Federal government the \$12.4 million in estimated net overpayments, consider conducting internal audits for claims after our audit period based on the risks identified by this audit, and provide additional training regarding Medicare billing requirements. Our complete recommendations are found in the audit report.

The Hospital did not concur with our first and second recommendations and stated that it is willing to conduct education to address our third recommendation.