

Report in Brief

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



Why OIG Did This Review

Hyperbaric oxygen therapy (HBO therapy) involves giving a patient high concentrations of oxygen within a pressurized chamber in which the patient intermittently breathes in 100-percent oxygen. A prior Office of Inspector General review identified issues with Medicare payments for HBO therapy. More recently, a review by a Centers for Medicare & Medicaid Services (CMS) contractor found that claims for HBO therapy services were denied because of a lack of medical documentation. In 2015, CMS began a prior authorization demonstration program for non-emergent HBO therapy to test its effectiveness.

For this review, we focused on one Medicare administrative contractor, Wisconsin Physicians Service Government Health Administrators (WPS), because of the high volume of paid outpatient claims that contained HBO therapy services.

Our objective was to determine whether WPS paid providers in 2013 and 2014 for HBO therapy services that complied with Medicare requirements.

How OIG Did This Review

Our review covered 44,940 outpatient claims totaling \$59.5 million for Jurisdiction 5 that contained HBO therapy services provided to Medicare beneficiaries during calendar years 2013 through 2014. We selected a stratified random sample of 120 outpatient claims. Our medical review contractor subsequently reviewed the medical records for compliance with Medicare requirements.

Wisconsin Physicians Service Paid Providers for Hyperbaric Oxygen Therapy Services That Did Not Comply With Medicare Requirements

What OIG Found

WPS paid 73 providers for HBO therapy services that did not comply with Medicare requirements. Of the 120 sampled outpatient claims totaling \$438,210, WPS made payments for HBO therapy in accordance with Medicare requirements for 18 claims. However, WPS made payments for HBO therapy that did not comply with Medicare requirements for 102 claims, resulting in overpayments totaling \$300,789. WPS made payments for HBO therapy that did not always comply with Medicare requirements because it had limited policies and procedures in place to ensure that it made correct payments. Based on our sample results, we estimate that WPS overpaid providers in Jurisdiction 5 \$42.6 million during the audit period for HBO therapy that did not comply with Medicare requirements.

What OIG Recommends and WPS Comments

We made several recommendations to WPS, including that it (1) recover the appropriate portion of the \$300,789 in identified Medicare overpayments; (2) notify the providers responsible for the 44,820 nonsampled claims, with potential overpayments estimated at \$42.3 million, so that those providers can investigate and return any identified overpayments; (3) identify and recover any improper payments for HBO therapy made after the audit period; and (4) strengthen its policies and procedures for making payments for HBO therapy, which would result in millions in future cost savings.

In written comments on our draft report, WPS generally agreed with our recommendations. WPS stated that it has taken corrective actions to address issues with the overuse of HBO therapy. In 2015, WPS initiated CMS's Non-Emergent Hyperbaric Oxygen Therapy Prior Authorization demonstration program in Michigan. WPS also stated that it conducted further data analysis to identify providers and diagnosis codes at risk for overutilization and offered education to providers about the proper use of HBO therapy.