

Report in Brief

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



Why OIG Did This Review

Prior OIG reviews identified significant Medicare Part B overpayments, including those to ambulance suppliers, for services they provided to Medicare beneficiaries during skilled nursing facility (SNF) stays covered under Medicare Part A. The Centers for Medicare & Medicaid Services (CMS) generally concurred with recommendations in these reports and implemented them. However, our analysis of recent claim data indicated that overpayments for ambulance transportation might still be occurring.

Our objective was to determine whether Medicare made Part B payments to ambulance suppliers for transportation services that were also included in Medicare Part A payments to SNFs as part of consolidated billing requirements.

How OIG Did This Review

We selected a stratified random sample of 100 beneficiary days. Each beneficiary day contained all ambulance claim line items for a given beneficiary having the same date of service. These line items were paid nationwide by Medicare Part B with dates of service from July 1, 2014, to June 30, 2016, for services provided to beneficiaries in Part A SNF stays.

Medicare Paid Twice for Ambulance Services Subject to Skilled Nursing Facility Consolidated Billing Requirements

What OIG Found

Medicare made Part B payments to ambulance suppliers for transportation services that were also included in Medicare Part A payments to SNFs as part of consolidated billing requirements. For 78 of the 100 beneficiary days we sampled, Medicare made Part B payments that were incorrect. Medicare overpaid the ambulance suppliers because the Common Working File (CWF) edits were not designed to prevent or detect Part B overpayments for all transportation subject to consolidated billing. In addition, ambulance suppliers did not have the necessary controls to prevent incorrect billing to Medicare Part B.

On the basis of our sample results, we estimated that Medicare made a total of \$19.9 million in Part B overpayments to ambulance suppliers for transportation services for beneficiaries in Part A SNF stays. In addition, we estimated that beneficiaries incurred an estimated \$5.2 million in coinsurance and deductible liabilities related to these incorrect payments.

What OIG Recommends and CMS Comments

We recommend that CMS redesign the CWF edits to prevent Part B overpayments to ambulance suppliers for transportation services provided to beneficiaries in Part A SNF stays. We also recommend that CMS direct the Medicare contractors to recover the incorrectly billed claims related to 78 sampled beneficiary days; notify the ambulance suppliers responsible for potential overpayments estimated at \$19.9 million; and educate ambulance suppliers on Medicare Part B billing requirements, among other recommendations.

CMS concurred with our recommendations and described the actions that it has taken or planned to take to address them.