

Report in Brief

Date: December 2018

Report No. A-02-15-01003



Why OIG Did This Review

In 2012 and 2013, Medicare Part B allowed approximately \$1.4 billion of payments for chiropractic services provided to Medicare beneficiaries nationwide. Previous OIG reviews found that Medicare inappropriately paid for chiropractic services that were medically unnecessary, incorrectly coded, or undocumented. After analyzing 2012 and 2013 Medicare claims data, we selected for review a chiropractic practice located in Queens, New York (Queens Chiropractor), which was the third highest-paid provider of Medicare chiropractic services in New York State during that time.

Our objective was to determine whether chiropractic services provided by the Queens Chiropractor complied with Medicare requirements.

How OIG Did This Review

Our review covered 6,768 claims for which the Queens Chiropractor received Medicare Part B reimbursement totaling \$650,470 for 28,200 chiropractic services during the period January 1, 2012, through August 31, 2014 (audit period). We reviewed a random sample of 100 claims. We obtained medical records for the sample claims and provided those medical records to a medical review contractor who determined whether the services were allowable in accordance with Medicare requirements.

A Queens Chiropractor Received Improper Medicare Payments for Chiropractic Services

What OIG Found

Nearly all Medicare Part B payments to the Queens Chiropractor did not comply with Medicare requirements. Of the 100 sample claims for which the Queens Chiropractor received Medicare Part B reimbursement, 95 did not comply with Medicare requirements; the remaining 5 did. These improper payments occurred because the Queens Chiropractor did not have any policies and procedures to ensure that chiropractic services provided to Medicare beneficiaries were medically necessary and sufficiently documented.

On the basis of our sample results, we estimated that the Queens Chiropractor improperly received at least \$518,821 in Medicare reimbursement for chiropractic services provided during the audit period. As of the publication of this report, this unallowable amount includes claims outside the 4-year claim-reopening period.

What OIG Recommends

We recommend that the Queens Chiropractor (1) refund to the Federal Government the portion of the estimated \$518,821 in identified improper payments for claims incorrectly billed that are within the reopening period, (2) for the remaining portion of the estimated \$518,821 in improper payments for claims that are outside of the Medicare reopening period, exercise reasonable diligence to identify and return improper payments in accordance with the 60-day rule, and identify any returned improper payments as having been made in accordance with this recommendation, (3) exercise reasonable diligence to identify and return any additional similar improper payments outside of our audit period, in accordance with the 60-day rule, and identify any returned overpayments as having been made in accordance with this recommendation, and (4) develop policies and procedures to ensure that any future chiropractic services billed to Medicare comply with Medicare requirements.

In written comments on our draft report, the Queens Chiropractor, through its attorney, did not indicate concurrence or nonconcurrence with our recommendations. Rather, the attorney questioned the validity of our medical review contractor's determinations as well as our statistical sampling, and provided a statistical expert's report on our sampling methodology and overpayment estimation. After reviewing the attorney's comments and the statistical expert's report, we maintain that our findings and recommendations are valid. We used a qualified medical review contractor to determine whether our sample claims were reasonable and necessary and met Medicare requirements. We also properly executed our statistical sampling methodology.