

Report in Brief

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



Why OIG Did This Review

Intensity-modulated radiation therapy (IMRT) is an advanced type of radiation procedure used to treat difficult-to-reach tumors. Prior OIG reviews found that some hospitals received separate payments for individual IMRT services that should have been included in the bundled payment for IMRT planning.

During our July 2013 through December 2015 audit period, Novitas Solutions was the Medicare Administrative Contractor (MAC) responsible for processing Medicare payments for outpatient services in MAC Jurisdictions H and L.

Our objective was to determine whether selected at-risk claims for outpatient IMRT services complied with Medicare requirements.

How OIG Did This Review

Our review focused on claims paid to hospitals by Novitas that contained specific IMRT services at risk for noncompliance with Medicare requirements.

We identified 28,776 claims paid by Novitas that contained potentially unallowable IMRT services totaling \$103.4 million. We selected a random sample of 100 beneficiaries and subjected the associated services to independent medical review to determine whether the claims complied with Medicare requirements. We reviewed all services associated with these claims.

Payments Made by Novitas Solutions, Inc., to Hospitals for Certain Advanced Radiation Therapy Services Did Not Fully Comply With Medicare Requirements

What OIG Found

Novitas incorrectly paid hospitals for IMRT services provided to nearly all of the beneficiaries associated with our review. Although most of the IMRT services billed by hospitals were allowable, we determined that Novitas made overpayments for at least 1 service for 98 of the 100 beneficiaries in our random sample. Novitas appropriately made payments for the remaining two beneficiaries.

The overpayments occurred because (1) Novitas' claim processing system did not adequately prevent payments to hospitals for all incorrectly billed IMRT services and (2) hospitals were unfamiliar with or misinterpreted Medicare guidance when billing for certain IMRT services, or cited clerical errors.

Based on our sample results, we estimated that hospitals in MAC Jurisdictions H and L received Medicare overpayments of at least \$7.2 million for unallowable IMRT services during our audit period.

What OIG Recommends and Novitas Comments

We made three recommendations to Novitas to recover the overpayments identified in our report. We also made two procedural recommendations to implement payment edits and to educate hospitals on properly billing for IMRT services.

In written comments on our draft report, Novitas partially agreed with one of our recommendations, concurred with our remaining recommendations, and described corrective actions it had taken or planned to take to address each of them. Specifically, Novitas stated that it would pursue overpayments for services improperly claimed for reimbursement within the reopening period; however, it would be unable to demand overpayments for certain error types because dollar estimates for each provider were not identified.

After reviewing Novitas' comments, we maintain that our findings and estimates are valid, and we encourage Novitas to take any reasonable actions, such as notifying the hospitals to review all services identified in our sampling frame and return any identified overpayments.