

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, National Government Services, Inc. (NGS), was the Medicare Administrative Contractor (MAC) responsible for processing Medicare payments for outpatient services in MAC Jurisdictions 6 and K.

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 NGS that contained specific IMRT services at risk for noncompliance with Medicare requirements.

We identified 25,900 claims paid by NGS that contained potentially unallowable IMRT services totaling \$80.1 million. We selected a random sample of 100 beneficiaries and submitted the associated services for independent medical review to determine whether the claims complied with Medicare requirements. We reviewed all services associated with these claims.

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

What OIG Found

NGS 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 NGS made overpayments for at least 1 service for 99 of the 100 beneficiaries in our random sample. NGS appropriately made payments for all of the remaining beneficiary's services.

The overpayments occurred because (1) system edits did not adequately prevent payments by NGS 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 6 and K received Medicare overpayments totaling at least \$5.7 million for unallowable IMRT services during our audit period.

What OIG Recommends and NGS Comments

We made three recommendations to NGS 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, NGS took issue with our characterization of its role as a MAC with respect to our findings. Regarding our recommendations to recover overpayments, NGS indicated qualified concurrence with our first two recommendations and disagreed with our third recommendation. NGS agreed with our procedural recommendations and described corrective actions it had taken or plans to take. NGS also provided technical comments.

We revised our report language to clarify NGS's role in how Medicare claims are processed. After reviewing NGS's comments, we maintain that our findings, estimates, and recommendations are valid. We encourage NGS to take any reasonable actions, such as notifying the hospitals to review all services identified in our sampling frame and return any identified overpayments.