Why OIG Did This Review
Prior OIG audits found that hospitals in six Medicare Administrative Contractor (MAC) jurisdictions counted residents (including interns) as more than one full-time equivalent (FTE) and, as a result, received excess Medicare graduate medical education (GME) reimbursement. This report summarizes the findings of those audits, providing information that may assist the Centers for Medicare & Medicaid Services (CMS) and MACs to achieve greater efficiency in the operation of Medicare.

Our objective was to determine whether CMS ensured that hospitals in selected MAC jurisdictions claimed Medicare GME reimbursement in accordance with Federal requirements.

How OIG Did This Review
We analyzed the findings and summarized the results and recommendations from eight OIG audits that covered various periods between 2006 and 2013. For those audits, we obtained and reviewed data submitted by teaching hospitals in six selected MAC jurisdictions to determine whether hospitals claimed Medicare GME reimbursement in accordance with Federal requirements.

CMS Did Not Always Ensure Hospitals Complied With Medicare Reimbursement Requirements for Graduate Medical Education

What OIG Found
CMS generally ensured that hospitals in selected MAC jurisdictions claimed Medicare GME reimbursement in accordance with Federal requirements. However, in seven of our eight audits, we identified some instances in which teaching hospitals did not always comply with Federal requirements when claiming Medicare GME reimbursement for residents. Specifically, we found that hospitals in the six MAC jurisdictions we reviewed claimed GME reimbursement for residents who were claimed by more than one hospital for the same period and whose total FTE count exceeded one, totaling almost $4 million in excess Medicare GME reimbursement.

The overstated FTE counts and excess reimbursement occurred because CMS did not have adequate procedures to ensure that hospitals do not count residents as more than one FTE. For example, CMS did not review resident data submitted by hospitals to detect whether a resident had overlapping rotational assignments (i.e., working at more than one hospital during the same period) or require the MACs to perform this work.

What OIG Recommends and CMS Comments
We recommend that CMS take steps to ensure that no resident is counted as more than one FTE. This could include implementing policies and procedures to analyze resident data or requiring MACs to determine if residents claimed by hospitals in their jurisdiction were claimed as more than one FTE. Because our audits covered only six MAC jurisdictions across various fiscal periods, we believe that, if CMS took steps to ensure that all MAC jurisdictions implemented procedures, it could achieve significant cost savings.

In written comments on our draft report, CMS agreed with our recommendation and stated that it has begun implementing a new database that hospitals will use to collect and report information on residents. According to CMS, the database will help ensure that no resident is counted as more than one FTE.

The full report can be found at https://oig.hhs.gov/oas/reports/region2/21701017.asp.