

Report in Brief

Date: June 2021

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



Why OIG Did This Audit

This audit is part of a series of hospital compliance audits. Using computer matching, data mining, and data analysis techniques, we identified hospital claims that were at risk for noncompliance with Medicare billing requirements. For calendar year 2017, Medicare paid hospitals \$206 billion, which represents 55 percent of all fee-for-service payments; accordingly, it is important to ensure that hospital payments comply with requirements.

Our objective was to determine whether Staten Island University Hospital (the Hospital) complied with Medicare requirements for billing inpatient and outpatient services on selected types of claims.

How OIG Did This Audit

Our audit covered about \$43.1 million in Medicare payments to the Hospital for 2,718 claims that were potentially at risk for billing errors. We selected for audit a stratified random sample of 90 inpatient and 10 outpatient claims with payments totaling \$2.1 million for our 2-year audit period (calendar years 2016 and 2017).

We focused our audit on the risk areas that we identified as a result of prior OIG audits at other hospitals. We evaluated compliance with selected billing requirements and submitted records associated with them to a medical review contractor.

Medicare Hospital Provider Compliance Audit: Staten Island University Hospital

What OIG Found

The Hospital complied with Medicare billing requirements for 63 of the 100 inpatient and outpatient claims we audited. However, the Hospital did not fully comply with Medicare billing requirements for the remaining 37 claims, resulting in overpayments of \$830,291 for the audit period. Specifically, 34 inpatient claims and 3 outpatient claims had billing errors.

On the basis of our sample results, we estimated that the Hospital received overpayments of nearly \$11.8 million for the audit period. As of the publication of this report, this amount included claims outside of the Medicare 4-year claim-reopening period.

What OIG Recommends and Hospital Comments

We recommend that the Hospital refund to the Medicare contractor the portion of the nearly \$11.8 million in estimated overpayments for the audit period for the claims that it incorrectly billed that are within the reopening period; exercise reasonable diligence to identify, report, and return any additional similar overpayments received outside of our audit period, in accordance with the 60-day rule; and strengthen controls to ensure full compliance with Medicare requirements. The detailed recommendations are listed in the body of the report.

In written comments on our draft report, the Hospital, through its attorney, did not expressly indicate concurrence or nonconcurrence with our recommendations. The Hospital stated that it believes it has rigorous internal controls and a systematized, highly developed team approach to review inpatient rehabilitation facility admissions. Additionally, the Hospital disagreed with all but 2 of the 37 claims for which we determined that the Hospital did not fully comply with Medicare billing requirements.

After review and consideration of the Hospital's comments, we maintain that our findings and recommendations are valid. We obtained an independent medical review contractor to determine the medical necessity for all claims in our sample. Our contractor considered all applicable Medicare requirements and beneficiaries' medical records in making its determinations.