

Report in Brief

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



Why OIG Did This Audit

Medicare paid approximately \$2.2 billion for psychotherapy services provided to Medicare beneficiaries nationwide during calendar years 2017 and 2018. Prior OIG audits and reviews found that Medicare had made millions of dollars in improper payments for mental health services, including psychotherapy services. Using data analysis techniques, we identified On-Site Psychological Services, P.C. (On-Site), at risk for noncompliance with Medicare billing requirements.

Our objective was to determine whether On-Site complied with Medicare requirements when billing for psychotherapy services.

How OIG Did This Audit

Our audit covered 23,947 claims for psychotherapy services for which On-Site received Medicare reimbursement totaling \$3.9 million during calendar years 2017 and 2018 (audit period). We reviewed a stratified random sample of 120 claims. We did not determine whether the services were medically necessary.

On-Site Psychological Services, P.C.: Audit of Medicare Payments for Psychotherapy Services

What OIG Found

On-Site did not comply with Medicare requirements when billing for most of its psychotherapy services. Of the 120 claims for psychotherapy services in our sample, 111 did not comply with Medicare billing requirements. Specifically, beneficiaries' treatment plans did not comply with Medicare requirements (111 claims), therapeutic maneuvers were not specified in beneficiaries' treatment notes (9 claims), and treatment notes did not support services billed (5 claims). We also identified potential quality-of-care issues related to all 120 claims for psychotherapy services: beneficiaries' treatment plans did not document if a beneficiary's condition improved or had a reasonable expectation of improvement (111 claims) and treatment notes were "signed" with digital images of clinicians' signatures (109 claims).

On the basis of our sample results, we estimated that On-Site received at least \$3.3 million in Medicare overpayments for psychotherapy services. These deficiencies occurred because On-Site's management oversight did not ensure that treatment plans were maintained or contained all required elements, therapeutic maneuvers utilized by clinicians were properly documented in treatment notes, and reliable treatment notes were maintained to support services billed. In addition, On-Site also did not have controls in its electronic recordkeeping system to allow for electronic signatures.

What OIG Recommends and On-Site Comments

We recommend that On-Site (1) refund to the Medicare program the estimated \$3.3 million overpayment; (2) based upon the results of this audit, exercise reasonable diligence to identify, report, and return any overpayments in accordance with the 60-day rule and identify any of those returned overpayments as having been made in accordance with this recommendation; (3) strengthen its management oversight to ensure that it properly maintains treatment plans that contain all required elements, therapeutic maneuvers utilized by clinicians are properly documented in treatment notes, and it properly maintains reliable treatment notes to support services billed; and (4) implement controls for authenticating signatures on treatment notes.

In written comments on our draft report, On-Site did not indicate concurrence or nonconcurrence with our findings or recommendations, but it did indicate that there are opportunities to improve some of the deficiencies identified in the report. On-Site also described a series of corrective actions that it has taken or plans to take to improve its compliance with Medicare requirements.