

Report in Brief

Date: October 2020

Report No. A-03-18-00003

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



Why OIG Did This Audit

Medicare paid approximately \$1.6 billion for critical care services provided to Medicare beneficiaries nationwide from October 2016 through March 2018 (audit period). A previous OIG review of critical care services found that few problems existed and concluded that those problems could be corrected by Medicare contractors. However, that review did not utilize medical review to determine whether the critical care services were appropriate and medically necessary. We selected for audit Clinical Practices of the University of Pennsylvania (Clinical Practices) because it was one of the 10 highest-paid providers of critical care services during our audit period.

Our objective was to determine whether Clinical Practices complied with Medicare requirements when billing for critical care services performed by its physicians.

How OIG Did This Audit

Our audit covered \$5.1 million in Medicare Part B payments for 28,085 critical care services provided during our audit period. We selected for review a random sample of 150 critical care services totaling \$27,053. Clinical Practices provided us with supporting documentation for the sampled claims. We submitted the 150 critical care services to an independent medical review contractor to determine whether the services were medically necessary and properly coded.

Medicare Critical Care Services Provider Compliance Audit: Clinical Practices of the University of Pennsylvania

What OIG Found

Clinical Practices complied with Medicare billing requirements for 136 of the 150 critical care services that we reviewed. However, Clinical Practices did not comply with Medicare billing requirements for the remaining 14 critical care services, and these errors resulted in Clinical Practices receiving \$1,399 in unallowable Medicare payments. These errors occurred because Clinical Practices incorrectly identified and billed critical care services for physician services that did not meet Medicare requirements.

On the basis of our sample results, we estimated that Clinical Practices received overpayments of at least \$151,588 for the audit period.

What OIG Recommends and Clinical Practices Comments

We recommend that Clinical Practices: (1) refund to the Medicare administrative contractor \$151,588 in estimated overpayments for critical care services; (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; and (3) strengthen policies and procedures to ensure that critical care services billed to Medicare are adequately documented and correctly billed.

In written comments on our draft report, Clinical Practices did not indicate concurrence or nonconcurrence with our finding and recommendations. However, it did state that it is taking corrective action to improve provider documentation to reflect the severity of illness and the treatment provided to critically ill patients and to correct inadvertent errors made by its professional fee coding staff. In another correspondence, Clinical Practices indicated that it was planning to refund the \$151,588 in estimated overpayments to the Medicare administrative contractor. Clinical Practices did not address our recommendation to identify, report, and return overpayments in accordance with the 60-day rule.

We commend Clinical Practices for the actions it has taken and plans to take to address the deficiencies identified in our draft report related to its compliance with Medicare requirements when billing for critical care services. We maintain that our recommendation to identify, report, and return overpayments in accordance with the 60-day rule is valid.