Medicare Critical Care Services Provider Compliance Audit: Lahey Clinic, Inc.

What OIG Found
Lahey complied with Medicare billing requirements for 36 of the 92 critical care services that we reviewed. However, Lahey did not comply with Medicare billing requirements for the remaining 56 critical care services. All 10 of the inpatient admissions reviewed included at least 1 critical care service that did not comply with Medicare billing requirements. Specifically, Lahey billed for 54 critical care services for patients whose conditions did not indicate that the critical care services were medically necessary or for which the physician did not directly provide services that were at the level of care required for critical care services. In addition, Lahey billed for two critical care services that were billed using an incorrect Current Procedural Terminology code for the critical care service provided.

These billing errors resulted in Lahey receiving $6,015 in unallowable Medicare payments. These errors occurred because Lahey did not have adequate policies and procedures to ensure that: (1) physicians correctly documented in the patient’s medical record and identified critical care services that met Medicare requirements and (2) coders made correct determinations for critical care services that met Medicare requirements.

What OIG Recommends and Lahey Comments
We recommend that Lahey refund to the Medicare administrative contractor $6,015 in overpayments for critical care services, and we also made procedural recommendations for Lahey to strengthen its policies and procedures. The full recommendations are in the report.

In written comments on our draft report, Lahey indicated partial concurrence with our first recommendation and full concurrence with our procedural recommendations. Lahey concurred with our results for 16 of the 56 critical care services, agreed that $1,461 should be refunded, and stated that it addressed or is in the process of addressing the procedural recommendations. Lahey did not concur with the remaining 40 critical care services. After review and consideration of Lahey’s comments, and because Lahey did not provide any additional medical record documentation to support its rebuttal of these 40 services, we maintain that our original findings remain valid.

We commend Lahey for the actions it has taken and plans to take to address the procedural recommendations to strengthen its policies and procedures.

The full report can be found at https://oig.hhs.gov/oas/reports/region3/32000002.asp.