

## Report in Brief

Date: December 2018

Report No. A-04-16-06196

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



### Why OIG Did This Review

Hyperbaric oxygen therapy (HBO therapy) involves giving a patient high concentrations of oxygen within a pressurized chamber in which the patient intermittently breathes in 100-percent oxygen. A prior Office of Inspector General review identified issues with Medicare payments for HBO therapy. More recently, a review by a Centers for Medicare & Medicaid Services (CMS) contractor found that claims for HBO therapy services were denied because of a lack of medical documentation. From 2015 through 2018, CMS conducted a prior authorization demonstration program for non-emergent HBO therapy to test its effectiveness.

For this review, we focused on one Medicare administrative contractor, First Coast Service Options, Inc. (First Coast), because it paid the second largest amount for HBO outpatient therapy services in 2013 and 2014.

Our objective was to determine whether First Coast paid providers for HBO therapy services that complied with Medicare requirements.

### How OIG Did This Review

Our review covered 46,857 outpatient claims totaling \$44.3 million for CMS Jurisdiction N that contained HBO therapy services provided to Medicare beneficiaries during calendar years 2012 through 2015. We selected for review a statistical sample of 120 of these claims, submitted by 48 providers.

## First Coast Service Options, Inc., Paid Providers for Hyperbaric Oxygen Therapy Services That Did Not Comply With Medicare Requirements

### What OIG Found

First Coast paid 48 providers for HBO therapy services that did not comply with Medicare requirements. Of the 120 sampled outpatient claims totaling \$415,513, First Coast made payments for HBO therapy in accordance with Medicare requirements for 5 claims. However, First Coast made payments for HBO therapy services that did not comply with Medicare requirements for 110 claims, resulting in overpayments totaling \$351,970. We treated five claims as non-errors because one was canceled and the Recovery Audit Contractor indicated that the other four were under review by another entity.

First Coast made payments for HBO therapy that did not always comply with Medicare requirements because it had limited policies and procedures in place to ensure that it made correct payments. During the audit period, First Coast did not have effective automated Medicare Part A prepayment edits in its claim processing system to monitor HBO therapy coverage. Based on our sample results, we estimate that First Coast overpaid providers in Jurisdiction N \$39.7 million during the audit period for HBO therapy that did not comply with Medicare requirements.

### What OIG Recommends and First Coast Comments

We made the following recommendations to First Coast: (1) recover the appropriate portion of the \$351,970 in Medicare overpayments; (2) notify the providers responsible for the 46,737 nonsampled claims with potential overpayments estimated at \$39.3 million so that those providers can investigate and return any identified overpayments; (3) identify and recover any improper payments for HBO therapy services made after the audit period, and (4) work with CMS to the extent possible in developing more effective automated HBO therapy prepayment edits in the claim processing system, which would result in millions of dollars in future cost savings.

First Coast concurred with three of our recommendations and partially concurred with the fourth. In addition, First Coast questioned language in our draft report stating that First Coast did not have automated Medicare Part A prepayment edits in its claims processing system to monitor HBO therapy. We revised our report language to say that Medicare Part A prepayment edits were active in First Coast's claims processing system but those edits were *not effective* in the prevention of improper payments for HBO therapies.