

Report in Brief

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



Why OIG Did This Review

In calendar years (CYs) 2014 and 2015, Medicare allowed payments of approximately \$1.3 billion for chiropractic services provided to Medicare beneficiaries nationwide. Previous OIG reviews found that Medicare inappropriately paid for chiropractic services that were medically unnecessary, incorrectly coded, or undocumented. After analyzing Medicare claims data for CYs 2014 and 2015, we selected for review Etheredge Chiropractic (Etheredge), in Fruitland Park, Florida. Our analysis indicated that Etheredge was among the top five chiropractors in Florida based on three Current Procedural Terminology codes billed to Medicare for chiropractic services.

Our objective was to determine whether chiropractic services that Etheredge billed were allowable in accordance with Medicare requirements.

How OIG Did This Review

For CYs 2014 and 2015, Etheredge received Medicare Part B payments of \$659,877 for 21,961 chiropractic services provided to Medicare beneficiaries. We excluded 536 chiropractic services that were reviewed by the recovery audit contractors and other review entities (such as the Medicare administrative contractors). We also excluded services with payments less than \$20. From the remaining 21,425 services, totaling \$656,051 in Medicare payments, we selected 100 services using a simple random sample.

Etheredge Chiropractic Received Unallowable Medicare Payments for Chiropractic Services

What OIG Found

Some chiropractic services that Etheredge billed were not allowable in accordance with Medicare requirements. Of the 100 chiropractic services in our sample, 67 were allowable in accordance with Medicare requirements. However, the remaining 33 were not allowable: 31 services were medically unnecessary and 2 were not documented. As a result, Etheredge received \$1,042 in unallowable payments. On the basis of our sample results, we estimated that Etheredge received unallowable Medicare payments of at least \$169,737 for CYs 2014 and 2015. As of the publication of this report, this unallowable amount includes claims outside of the 4-year claims reopening period.

These unallowable payments occurred because Etheredge did not have adequate policies and procedures to ensure that the chiropractic services billed to Medicare were medically necessary and adequately documented in the medical records.

What OIG Recommends and Etheredge Comments

We recommend that Etheredge: (1) refund to the Federal Government the portion of the estimated \$169,737 overpayment for claims for chiropractic services that did not comply with Medicare requirements and are within the 4-year claims reopening period; (2) exercise reasonable diligence to identify and return the overpayments in accordance with the 60-day rule, for the remaining portion of the estimated \$169,737 overpayment for claims that are outside of the reopening period, and identify any returned overpayments as having been made in accordance with this recommendation; (3) exercise reasonable diligence to identify and return any additional similar overpayments outside of our audit period, in accordance with the 60-day rule, and identify any returned overpayments as having been made in accordance with this recommendation; and (4) establish adequate policies and procedures to ensure that chiropractic services billed to Medicare are medically necessary and adequately documented.

In written comments on our draft report, Etheredge partially concurred with our recommendations and described the actions it has taken to address them. Regarding the 33 claims that were not allowable in accordance with Medicare requirements, Etheredge disagreed that 31 claims were medically unnecessary. It stated that it would go through the Medicare Part B appeals process. We maintain that our audit results are valid because we, with the assistance of an independent medical reviewer, determined whether each service was allowable in accordance with Medicare requirements.