

Report in Brief

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



Why OIG Did This Review

This review is part of a series of hospital compliance reviews. Using computer matching, data mining, and data analysis techniques, we identified hospital claims that were at risk for noncompliance with Medicare billing requirements. For calendar year 2016, Medicare paid hospitals \$170 billion dollars, which represents 46 percent of all fee-for-service payments for the year.

Our objective was to determine whether Mobile Infirmiry Medical Center (the Hospital) complied with Medicare requirements for billing inpatient services on selected types of claims.

How OIG Did This Review

We selected for review a stratified random sample of 100 inpatient claims with payments totaling \$1.7 million for our 2-year audit period (January 1, 2015, through December 31, 2016).

We focused our review on the risk areas that we identified as a result of prior OIG reviews at other hospitals. We evaluated compliance with selected billing requirements.

Medicare Compliance Review of Mobile Infirmiry Medical Center

What OIG Found

The Hospital complied with Medicare billing requirements for 87 of the 100 inpatient claims we reviewed. However, the Hospital did not fully comply with Medicare billing requirements for the remaining 13 claims, resulting in net overpayments of \$163,104 in calendar years 2015 and 2016. Specifically, eight claims either did not meet Medicare criteria for acute inpatient rehabilitation or did not comply with Medicare documentation requirements, resulting in overpayments of \$162,448. In addition, five claims had incorrectly billed outlier payments, resulting in net overpayments of \$656.

On the basis of our sample results, we estimated that the Hospital received overpayments of at least \$340,125 for the audit period.

What OIG Recommends and Hospital Comments

We recommend that the Hospital refund to the Medicare contractor \$340,125 in estimated overpayments for the audit period for claims that it incorrectly billed; exercise reasonable diligence to identify and return any additional similar overpayments received outside of our audit period, in accordance with the 60-day rule; and strengthen controls to ensure full compliance with Medicare requirements.

The Hospital did not agree with all of our findings and recommendations. Specifically, the Hospital disagreed that it incorrectly billed inpatient rehabilitation claims. In addition, the Hospital disagreed with our recommendation to identify and return any additional similar overpayments received outside of the audit period. We obtained independent medical review for all IRF claims in our sample. We provided the independent medical reviewers with all documentation necessary to sufficiently determine medical necessity and documentation requirements for the IRF claims, and our report reflects the results of that review. Based on the Hospital's rebuttal and our internal review, we reduced the overpayment amount and associated recommendation in this report from the initial recommended recovery amount in our draft report.