

Report in Brief

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



Why OIG Did This Audit

Medicaid telemedicine services are health services delivered via telecommunication systems. A Medicaid patient at a referring site uses audio and video equipment to communicate with a health professional at a consulting site. Medicaid views telemedicine services as a cost-effective alternative to the more traditional face-to-face way of providing medical care.

Medicaid programs are seeing a significant increase in payments for telemedicine services and expect this trend to continue. Telemedicine is expanding in South Carolina, and the State's Medicaid payments for telemedicine services have recently increased. This audit is one in a series of audits to determine whether selected States complied with Federal and State requirements when claiming Federal reimbursement for telemedicine services.

Our objective was to determine whether South Carolina made payments for telemedicine services in accordance with Federal and State requirements.

How OIG Did This Audit

Our audit covered \$2.3 million in payments (\$1.6 million Federal share) made by South Carolina from July 1, 2014, through June 30, 2017 (audit period) for telemedicine services. We selected a stratified random sample of 100 payments for audit totaling \$27,470 (\$19,608 Federal share).

96 Percent of South Carolina's Medicaid Fee-for-Service Telemedicine Payments Were Insufficiently Documented or Otherwise Unallowable

What OIG Found

South Carolina made telemedicine payments that were not in accordance with Federal and State requirements and were therefore unallowable. Of the 100 Medicaid fee-for-service telemedicine payments in our stratified random sample, 3 payments were allowable. However, the remaining 97 payments were unallowable. For 95 unallowable payments, the providers documented neither the start and stop times nor the consulting site location of the medical service. The remaining two unallowable payments were actually for in-office consultations, not telemedicine services. This noncompliance occurred because South Carolina did not give providers formal training on telemedicine documentation requirements or adequately monitor compliance. On the basis of our sample results, we estimated that 96 percent of South Carolina's Medicaid fee-for-service telemedicine payments were unallowable. We also estimated that unallowable payments totaled at least \$2.1 million (\$1.5 million Federal share) during our audit period.

What OIG Recommends and South Carolina's Comments

We recommend that South Carolina refund \$1.5 million to the Federal Government, give providers formal training on telemedicine documentation requirements, and enhance the monitoring of provider compliance by conducting periodic reviews of telemedicine payments for compliance with documentation requirements.

In written comments on our draft report, South Carolina concurred with our recommendations and described actions that it plans to take to address them. These actions include conducting training on telemedicine documentation requirements and enhancing monitoring through the Division of Program Integrity. South Carolina also commented that negotiation of a lesser refund amount is appropriate because most unallowable payments were the result of non-documentation of the location of the referring site and consulting site and absence of a start and stop time of the telemedicine visit. We reviewed and considered South Carolina's comments, and our findings remain unchanged. Thus, we continue to recommend that South Carolina refund \$1.5 million to the Federal Government and work with the Centers for Medicare & Medicaid Services to resolve our findings and recommendations.