

Report in Brief

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



Why OIG Did This Audit

Medicare administrative contractors nationwide paid approximately \$885 million for selected polysomnography (a type of sleep study) services provided to Medicare beneficiaries during January 1, 2017, through December 31, 2018 (audit period). Previous OIG audits of polysomnography services found that Medicare paid for some services that did not meet Medicare requirements. These audits identified payments for services with inappropriate diagnosis codes, without the required supporting documentation, and to providers that exhibited questionable billing patterns. After analyzing Medicare claim data, we selected for audit University of Michigan Health System (University of Michigan), a hospital provider located in Ann Arbor, Michigan.

Our objective was to determine whether Medicare claims that University of Michigan submitted for polysomnography services complied with Medicare requirements.

How OIG Did This Audit

Our audit covered \$1.9 million in Medicare payments to University of Michigan for 1,931 beneficiaries associated with 2,826 lines of polysomnography service billed using Current Procedural Terminology codes 95810 and 95811. We reviewed a stratified random sample of 100 beneficiaries who received polysomnography services (166 lines of service) with payments totaling \$112,147 during our audit period.

University of Michigan Health System: Audit of Medicare Payments for Polysomnography Services

What OIG Found

University of Michigan submitted Medicare claims for some polysomnography services that did not comply with Medicare billing requirements. Of the 100 randomly selected beneficiaries in our sample, University of Michigan submitted Medicare claims for polysomnography services that complied with Medicare billing requirements for 96 beneficiaries associated with 161 lines of service. However, University of Michigan submitted Medicare claims for the remaining four beneficiaries associated with five lines of service that did not comply with Medicare requirements, resulting in overpayments of \$3,127.

On the basis of our sample results, we estimated that University of Michigan received overpayments of at least \$12,520 for polysomnography services during our audit period.

The errors occurred because University of Michigan's policies and procedures did not address the processing of Medicare claims for polysomnography services to ensure that services billed to Medicare were adequately documented and coded correctly.

What OIG Recommends and University of Michigan Comments

We recommend that University of Michigan (1) refund to the Medicare program the estimated \$12,520 overpayment for claims that it incorrectly billed that are within the 4-year reopening period; (2) based on the results of this audit, exercise reasonable diligence to identify, report, and return any overpayments in accordance with the 60-day rule; and (3) implement policies and procedures to ensure that Medicare claims for polysomnography services comply with Medicare requirements.

In written comments on our draft report, University of Michigan disagreed with our findings associated with four lines of service billed with incomplete medical record documentation. Additionally, University of Michigan asserted that our findings do not support extrapolation.

We disagree with University of Michigan's assertion that the medical record documentation supported the need for testing. For three beneficiaries (four lines of service), the face-to-face evaluation from the treating physician did not indicate that the physical examination was focused on sleep related disorders nor did it recommend sleep testing as part of the treatment plan for the patient. The physician's progress notes in the face-to-face evaluations did not attribute the patient's symptoms or complaints to sleep-related disorders.

Therefore, we maintain that our findings and recommendations are valid.