



DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF AUDIT SERVICES
233 NORTH MICHIGAN AVENUE
CHICAGO, ILLINOIS 60601

REGION V
OFFICE OF
INSPECTOR GENERAL

March 5, 2007

Report Number: A-05-06-00040

Mr. Guy Ringle
Senior Vice President, Medicare
WPS Insurance Corporation
P.O. Box 1787
Madison, Wisconsin 53701

Dear Mr. Ringle:

Enclosed are two copies of the U.S. Department of Health and Human Services (HHS), Office of Inspector General (OIG) final report entitled "Review of Cataract Global Surgeries and Related Evaluation and Management Services, Wisconsin Physicians Service Insurance Corporation for Calendar Year 2003." Should you have any questions or comments concerning the matters commented on in this report, please direct them to the HHS official named below.

In accordance with the principles of the Freedom of Information Act (5 U.S.C. 552, as amended by Public Law 104-231), OIG reports issued to the Department's grantees and contractors are made available to the public to the extent the information is not subject to exemptions in the Act that the Department chooses to exercise (see 45 CFR part 5).

Please refer to report number A-05-06-00040 in all correspondence.

Sincerely yours,


Marc Gustafson
Regional Inspector General
for Audit Services

Enclosures - as stated

Direct Reply to HHS Action Official

Ms. Jackie Garner
Regional Administrator
Centers for Medicare & Medicaid Services
Department of Health and Human Services
233 North Michigan Avenue, Suite 600
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Department of Health and Human Services

**OFFICE OF
INSPECTOR GENERAL**

**REVIEW OF CATARACT GLOBAL
SURGERIES AND RELATED
EVALUATION AND
MANAGEMENT SERVICES**

**WISCONSIN PHYSICIANS
SERVICE INSURANCE
CORPORATION
CALENDAR YEAR 2003**



Daniel R. Levinson
Inspector General

March 2007
A-05-06-00040

Office of Inspector General

<http://oig.hhs.gov>

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OAS FINDINGS AND OPINIONS

The designation of financial or management practices as questionable or a recommendation for the disallowance of costs incurred or claimed, as well as other conclusions and recommendations in this report, represent the findings and opinions of the HHS/OIG/OAS. Authorized officials of the HHS divisions will make final determination on these matters.

EXECUTIVE SUMMARY

BACKGROUND

Congress established Medicare under Title XVIII of the Social Security Act in 1965 to provide health insurance coverage to people age 65 and over, the disabled, and people with end-stage renal disease. The Medicare program pays for expenses incurred for items or services that are reasonable and necessary for the diagnosis or treatment of illness or injury. For services furnished on or after January 1, 1992, Medicare carriers pay Medicare Part B claims for physicians' services, including major surgeries such as cataract surgeries, on a fee schedule basis.

Major surgeries are paid for using a global surgery fee, which was established to ensure that payment was made consistently for the same services across all carrier jurisdictions. The cataract global surgery fee includes various components of the surgical service as well as related preoperative and postoperative evaluation and management (E&M) services provided during a 92-day period known as the global surgery period. The 92-day period includes the day before the surgery, the day of the surgery, and the 90 days immediately following the day of surgery. Since the global surgery fee includes payment for related E&M services, Medicare carriers should not separately reimburse physicians for these services. When surgeons transfer postoperative care to another physician, the global surgery fee is split between the two physicians and neither physician should receive separate reimbursement for related E&M services during the global period.

The Wisconsin Physicians Service (WPS) Medicare division administers Part B benefits and reimbursed physicians about \$95 million for 218,266 cataract surgeries provided to 150,759 beneficiaries in Wisconsin, Illinois, Michigan, and Minnesota during calendar year 2003.

OBJECTIVE

Our objective was to determine whether WPS properly reimbursed physicians for cataract global surgeries and related E&M services during the global periods.

RESULTS OF REVIEW

For 98 of 100 statistically sampled cataract global surgeries, WPS properly reimbursed physicians for the surgeries and related E&M services provided during the global periods. For the two exceptions, WPS inappropriately paid physicians for two E&M services (\$72) related to the cataract surgeries because surgeons did not properly transfer postoperative care responsibility to the physicians who received the payments. If the postoperative care had been properly transferred, WPS's payment process would have rejected the claims for the E&M services related to the surgery. We provided documentation related to these two payments to WPS for their consideration and action.

This report contains no recommendations.

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INTRODUCTION

BACKGROUND

Medicare Overview

Congress established Medicare under Title XVIII of the Social Security Act in 1965 to provide health insurance coverage to people age 65 and over, the disabled, and people with end-stage renal disease. Within the Department of Health and Human Services, the Centers for Medicare & Medicaid Services (CMS) administers the Medicare program. The Medicare program pays for expenses incurred for items or services that are reasonable and necessary for the diagnosis or treatment of illness or injury. Medicare Part B reimburses physicians for outpatient services, medical services, medical equipment, supplies and other services. For services furnished on or after January 1, 1992, Medicare carriers pay Medicare Part B claims for physicians' services, including major surgeries such as cataract surgeries, on a fee schedule basis.

Global Surgery

The Medicare Claims Processing Manual (Chapter 12, Section 40) contains the national policy regarding global surgeries. Major global surgical services include the various components of the surgical service as well as related preoperative and postoperative evaluation and management (E&M) services provided during a 92-day period known as the global surgery period. The 92-day period includes the day before the surgery, the day of the surgery, and the 90 days immediately following the day of surgery.

The global surgery fee was established to ensure that payment was made consistently for the same services across all carrier jurisdictions. The fee includes payment for the surgery and other services, including related evaluation and management (E&M) services provided during the global period. Since the fee includes payment for related E&M services, Medicare carriers should not separately reimburse physicians for these services. When surgeons transfer postoperative care to another physician, the global surgery fee is split between the two physicians and neither physician should receive separate reimbursement for related E&M services during the global period.

Wisconsin Physicians Service

The Wisconsin Physicians Service (WPS) processes Medicare Part B claims in Wisconsin, Illinois, Michigan, and Minnesota. WPS reimbursed physicians approximately \$95 million for 218,266 cataract global surgeries provided to 150,759 beneficiaries during calendar year 2003.

OBJECTIVE, SCOPE, AND METHODOLOGY

Objective

Our objective was to determine whether WPS properly reimbursed physicians for cataract global surgeries and related E&M services during the global periods.

Scope

We selected a random sample of 100 cataract surgeries (CPT code 66984) performed in calendar year 2003 with Medicare reimbursement totaling \$42,486. Our review of internal controls was limited to understanding WPS's payment process and identification of E&M services claimed during global surgery periods.

We conducted our fieldwork from March through July 2006 at WPS in Madison, Wisconsin.

Methodology

To accomplish our objectives, we:

- reviewed applicable Federal regulations;
- discussed the global surgery payment process and documentation with CMS and WPS staff;
- obtained all paid claims associated with our sampled cataract surgeries and identified the beneficiary name, date of the cataract surgery, the applicable 92-day global surgery period, and the physician(s) who performed the surgery and postoperative care;
- obtained medical records from the surgeons and postoperative care physicians;
- reviewed all paid claims for the sampled beneficiaries to identify any E&M services that were paid separately during the 92-day global surgery period; and
- quantified the value of Medicare payments for E&M services that should not have been paid separately during the global surgery period.

We performed our review in accordance with generally accepted government auditing standards.

RESULTS OF REVIEW

For 98 of 100 statistically sampled cataract global surgeries, WPS properly reimbursed physicians for the surgeries and related E&M services provided during the global periods. For the two exceptions, WPS inappropriately paid physicians for two E&M services (\$72) related to the cataract surgeries because surgeons did not properly transfer postoperative care responsibility to the physicians who received the payments. If the postoperative care had been properly transferred, WPS's payment process would have rejected the claim for the E&M services related to the surgery. We provided documentation related to these two payments to WPS for their consideration and action.

This report contains no recommendations.