Medicare Dialysis Services Provider Compliance Audit: Dialysis Clinic, Inc.

What OIG Found
DCI claimed reimbursement for dialysis services that did not comply with Medicare requirements for 70 of the 100 sampled claims. Specifically, DCI submitted claims for which: (1) comprehensive assessments or plans of care did not meet Medicare requirements, (2) dialysis treatments were not completed, (3) dialysis services were not documented, (4) beneficiaries’ height or weight measurements did not comply with Medicare requirements, and (5) the medical record did not have a monthly progress note by a physician or other qualified professional.

While DCI had established corporate-wide internal controls to monitor and maintain complete, accurate, and accessible medical records at all its facilities, these controls were not always effective in ensuring that DCI’s claims for dialysis services complied with Medicare requirements.

We estimated that DCI received unallowable Medicare payments of at least $14,193,677 for dialysis services that did not comply with Medicare requirements. Many of the errors we identified did not affect DCI’s Medicare reimbursement for the services since they were reimbursed on a bundled per treatment basis or related to Medicare conditions for coverage. However, the deficiencies could have a significant impact on the quality of care provided to Medicare beneficiaries and could result in the provision of inappropriate or unnecessary dialysis services.

What OIG Recommends and DCI Comments
We recommend that DCI refund an estimated $14,193,677 to the Medicare program. We also made a series of recommendations to strengthen DCI’s internal controls to ensure that dialysis services comply with Medicare requirements.

In written comments on our draft report, DCI did not concur with our recommendations but described actions it has taken and plans to take to address some of them. DCI disagreed with our findings and stated the report does not accurately consider the nature of DCI’s corporate structure. DCI also stated that our sampling methodology was flawed. After reviewing DCI’s comments, we revised our determinations for 15 claims and adjusted our related recommendations accordingly. We maintain that our findings and recommendations, as revised, are valid. We also maintain that our sampling methodology was valid.

The full report can be found at https://oig.hhs.gov/oas/reports/region5/52000010.asp.