



January 26, 2010

Report Number: A-06-09-00029

Mr. Terry L. Reeves
Sr. Vice President for Corporate Compliance
Harris County Hospital District
2525 Holly Hall, Suite 283
Houston, TX 77054

Dear Mr. Reeves:

Enclosed is the U.S. Department of Health & Human Services (HHS), Office of Inspector General (OIG), final report entitled *Review of Oxaliplatin Billing at Ben Taub General Hospital for Calendar Year 2005*. We will forward a copy of this report to the HHS action official noted on the following page for review and any action deemed necessary.

The HHS action official will make final determination as to actions taken on all matters reported. We request that you respond to this official within 30 days from the date of this letter. Your response should present any comments or additional information that you believe may have a bearing on the final determination.

Section 8L of the Inspector General Act, 5 U.S.C. App., requires that OIG post its publicly available reports on the OIG Web site. Accordingly, this report will be posted at <http://oig.hhs.gov>.

If you have any questions or comments about this report, please do not hesitate to call me at (214) 767-8414 or contact Paul Chesser, Audit Manager, at (501) 225-8114 or through email at Paul.Chesser@oig.hhs.gov. Please refer to report number A-06-09-00029 in all correspondence.

Sincerely,

/Patricia Wheeler/
Regional Inspector General
for Audit Services

Enclosure

Direct Reply to HHS Action Official:

Nanette Foster Reilly, Consortium Administrator
Consortium for Financial Management & Fee for Service Operations
Centers for Medicare & Medicaid Services
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Kansas City, Missouri 64106
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Department of Health and Human Services

**OFFICE OF
INSPECTOR GENERAL**

**REVIEW OF OXALIPLATIN BILLING AT
BEN TAUB GENERAL HOSPITAL FOR
CALENDAR YEAR 2005**



Daniel R. Levinson
Inspector General

January 2010
A-06-09-00029

Office of Inspector General

<http://oig.hhs.gov>

The mission of the Office of Inspector General (OIG), as mandated by Public Law 95-452, as amended, is to protect the integrity of the Department of Health and Human Services (HHS) programs, as well as the health and welfare of beneficiaries served by those programs. This statutory mission is carried out through a nationwide network of audits, investigations, and inspections conducted by the following operating components:

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Notices

THIS REPORT IS AVAILABLE TO THE PUBLIC
at <http://oig.hhs.gov>

Section 8L of the Inspector General Act, 5 U.S.C. App., requires that OIG post its publicly available reports on the OIG Web site.

OFFICE OF AUDIT SERVICES FINDINGS AND OPINIONS

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

EXECUTIVE SUMMARY

BACKGROUND

Pursuant to Title XVIII of the Social Security Act, the Medicare program provides health insurance for people age 65 and over and those who are disabled or have permanent kidney disease. The Balanced Budget Act of 1997, P.L. No. 105-33, authorized the implementation of an outpatient prospective payment system (OPPS) effective August 1, 2000. Under the OPPS, Medicare makes additional temporary payments, called transitional pass-through payments, for certain drugs, biologicals, and devices.

Oxaliplatin is a chemotherapy drug used to treat colorectal cancer. Outpatient hospitals received transitional pass-through payments for oxaliplatin furnished to Medicare beneficiaries from July 1, 2003, through December 31, 2005.

Ben Taub General Hospital (the hospital) is an acute-care hospital in Houston, Texas, that has 975 Medicare-certified beds. We reviewed oxaliplatin payments to the hospital for services provided to Medicare beneficiaries during calendar year (CY) 2005.

OBJECTIVE

Our objective was to determine whether the hospital billed Medicare for oxaliplatin in accordance with Medicare requirements.

SUMMARY OF FINDING

The hospital did not bill Medicare for oxaliplatin in accordance with Medicare requirements for one claim during CY 2005. Specifically, the hospital did not use the correct Healthcare Common Procedure Coding System (HCPCS) code when billing for the drugs administered. The hospital used the HCPCS code for oxaliplatin when billing for the drugs nicardipine and esmolol. This error occurred because billing personnel did not correctly follow up on a claim edit's directions. Due to this error, the hospital received an overpayment totaling \$20,481 for nicardipine and esmolol furnished to one hospital outpatient.

RECOMMENDATIONS

We recommend that the hospital:

- return the \$20,481 overpayment to the fiscal intermediary and
- establish procedures to ensure that drugs billed correspond to drugs administered.

BEN TAUB GENERAL HOSPITAL COMMENTS

In its comments on our draft report, Ben Taub stated that it had refunded the overpayment and revised its processes to ensure that drugs billed correspond to drugs administered. Ben Taub's comments appear in their entirety as the Appendix.

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BEN TAUB GENERAL HOSPITAL COMMENTS	

INTRODUCTION

BACKGROUND

Pursuant to Title XVIII of the Social Security Act (the Act), the Medicare program provides health insurance for people age 65 and over and those who are disabled or have permanent kidney disease. The Centers for Medicare & Medicaid Services (CMS) administers the program.

Outpatient Prospective Payment System

The Balanced Budget Act of 1997, P.L. No. 105-33, authorized the implementation of an outpatient prospective payment system (OPPS) for hospital outpatient services furnished on or after August 1, 2000.

Under the OPPS, Medicare payments for most outpatient services are based on ambulatory payment classifications, which generally include payments for drugs billed as part of a service or procedure. However, Medicare makes additional temporary payments, called transitional pass-through payments, for certain drugs, biologicals, and devices. Medicare established a timeframe of at least 2 years but no more than 3 years for providing these additional payments for a given drug, biological, or device.

Oxaliplatin

Oxaliplatin is a chemotherapy drug used to treat colorectal cancer. Outpatient hospitals received transitional pass-through payments for oxaliplatin furnished from July 1, 2003, through December 31, 2005. Medicare required hospitals to bill one service unit for each 5 milligrams of oxaliplatin that a beneficiary received using the Healthcare Common Procedure Coding System (HCPCS) code C9205.

Ben Taub General Hospital

Ben Taub General Hospital (the hospital) is an acute-care hospital in Houston, Texas, that has 975 Medicare-certified beds. The hospital's Medicare claims are processed and paid by TrailBlazer Health Enterprises, LLC, the fiscal intermediary for Texas.

OBJECTIVE, SCOPE, AND METHODOLOGY

Objective

Our objective was to determine whether the hospital billed Medicare for oxaliplatin in accordance with Medicare requirements.

Scope

We reviewed one claim and the resulting \$21,229 payment that Medicare made to the hospital for oxaliplatin during calendar year (CY) 2005.

We limited our review of the hospital's internal controls to those applicable to billing for oxaliplatin services because our objective did not require an understanding of all internal controls over the submission of claims. Our review allowed us to establish reasonable assurance of the authenticity and accuracy of the information obtained from the CMS claim data for CY 2005, but we did not assess the completeness of the data.

We performed our audit work from December 2008 to July 2009.

Methodology

To accomplish our objective, we:

- reviewed applicable Medicare laws, regulations, and guidance;
- used CMS's claim data for CY 2005 to identify Medicare claims for which the hospital billed at least 100 units of oxaliplatin services under HCPCS code C9205 and received Medicare payments for those units that were greater than \$2,000, or claims with line items where the payment amount was greater than the charges and number of units was at least 100;
- contacted the hospital to determine whether the identified oxaliplatin services were billed correctly and, if not, why the services were billed incorrectly;
- obtained and reviewed records from the hospital that supported the identified claim; and
- repriced incorrectly billed services using ambulatory payment classification groups payment information for the billed HCPCS code.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our finding and conclusions based on our audit objective.

FINDING AND RECOMMENDATIONS

MEDICARE REQUIREMENTS

When hospitals submit Medicare claims for outpatient services, they must report the HCPCS codes that describe the services provided, as well as the service units for these codes. The "Medicare Claims Processing Manual," Publication No. 100-04, chapter 1, section 80.3.2.2, states: "In order to be processed correctly and promptly, a bill must be completed accurately."

INCORRECT BILLING FOR DRUGS ADMINISTERED

The hospital did not bill Medicare for oxaliplatin in accordance with Medicare requirements for one claim during CY 2005. The claim billed for oxaliplatin but the hospital administered two other drugs. The hospital stated that it had intended to bill for the drugs that were administered,

nicardipine and esmolol, using HCPCS code J3490. However, when this code was sent to the billing system, a claim edit indicated that if the hospital were billing for oxaliplatin, then HCPCS code C9205 should be used. Billing personnel then changed the code to C9205 without verifying whether oxaliplatin was the drug that was administered. As a result, the hospital received an overpayment totaling \$20,481 for the excessive oxaliplatin units that it billed during CY 2005.

RECOMMENDATIONS

We recommend that the hospital:

- return the \$20,481 overpayment to the fiscal intermediary and
- establish procedures to ensure that drugs billed correspond to drugs administered.

BEN TAUB GENERAL HOSPITAL COMMENTS

In its comments on our draft report, Ben Taub stated that it had repaid the overpayment and revised its processes to ensure that drugs billed correspond to drugs administered. Ben Taub's comments appear in their entirety as the Appendix.

APPENDIX

December 18, 2009

Patricia Wheeler
Regional Inspector General for Audit Services
Office of Inspector General
Office of Audit Services, Region VI
1100 Commerce Street, Room 632
Dallas, TX 75242

Re: Report No. A-6-09-00029

Dear Ms. Wheeler

This letter is in response to the Office of Inspector General's ("OIG") letter of November 30, 2009 and draft report, "Review of Oxaliplatin Billing at Ben Taub General Hospital for Calendar Year 2005". We appreciate both the review by the OIG and the opportunity to respond.

The Harris County Hospital District ("HCHD") has reviewed the draft report and agrees with the OIG's finding that HCHD was overpaid on the one claim identified in the draft report. HCHD has refunded the identified overpayment to the Medicare Administrative Contractor, Trailblazer Health Enterprises.

The HCHD has reviewed the charge description master and revised its processes to improve charge process so that drugs billed correspond to drugs administered. In the case of Oxaliplatin specifically, there is a specific "J code," J9263, which was assigned to this drug in 2006 and is specific to Oxaliplatin. Oxaliplatin is currently entered into the Charge Description master to reflect the CMS's most recent instructions.

Thank you for providing us with the opportunity to respond. Please contact me directly at 713-566-2332 if you have questions or need further information

Very truly yours,

Terry L. Reeves
Sr. Vice President, Corporate Compliance

TLR:tlr