



DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of Inspector General

Office of Audit Services, Region VI
1100 Commerce Street, Room 632
Dallas, TX 75242

December 22, 2009

Report Number: A-06-09-00069

Charles Foster
Vice President Human Resources/Integrity
CHRISTUS Hospital–St. Elizabeth
2830 Calder Street
Beaumont, Texas 77702

Dear Mr. Foster:

Enclosed is the U.S. Department of Health and Human Services (HHS), Office of Inspector General (OIG), final report entitled “Review of Oxaliplatin Billing at CHRISTUS Hospital–St. Elizabeth for the Period January 1 Through December 31, 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, or contact Warren Lundy, Audit Manager, at (405) 605-6183 or through email at Warren.Lundy@oig.hhs.gov. Please refer to report number A-06-09-00069 in all correspondence.

Sincerely,

/Patricia Wheeler/
Regional Inspector General
for Audit Services

Enclosure

Direct Reply to HHS Action Official:

Ms. Nanette Foster Reilly, Consortium Administrator
Consortium for Financial Management & Fee for Service Operations (CFMFFSO)
Centers for Medicare & Medicaid Services
601 East 12th Street, Room 235
Kansas City, Missouri 64106

Department of Health and Human Services

**OFFICE OF
INSPECTOR GENERAL**

**REVIEW OF OXALIPLATIN
BILLING AT CHRISTUS
HOSPITAL-ST. ELIZABETH
FOR THE PERIOD JANUARY 1
THROUGH DECEMBER 31, 2005**



Daniel R. Levinson
Inspector General

December 2009
A-06-09-00069

Office of Inspector General

<http://oig.hhs.gov>

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Notices

THIS REPORT IS AVAILABLE TO THE PUBLIC
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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. Medicare required hospitals to bill one service unit for each 5 milligrams of oxaliplatin that a beneficiary received.

CHRISTUS Hospital–St. Elizabeth (CHRISTUS) is an acute-care hospital in Beaumont, Texas, that has 461 Medicare-certified beds. We reviewed an oxaliplatin payment to CHRISTUS for services provided to one Medicare beneficiary during calendar year (CY) 2005.

OBJECTIVE

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

SUMMARY OF FINDING

CHRISTUS did not bill Medicare for oxaliplatin in accordance with Medicare requirements. Specifically, the hospital billed for 10 times the number of units that was actually administered for one outpatient claim that we reviewed. CHRISTUS received an overpayment totaling \$21,090 for the excessive oxaliplatin units that it billed during CY 2005. The overpayment resulted from confusion related to the existence of two oxaliplatin codes that had different billing unit sizes.

RECOMMENDATIONS

We recommend that CHRISTUS:

- refund the \$21,090 overpayment to the Medicare administrative contractor and
- establish procedures to ensure that units of drugs billed correspond to units of drugs administered.

CHRISTUS COMMENTS

In its comments to our draft report, CHRISTUS agreed with our finding and will refund the overpayment. In addition, CHRISTUS has changed its procedures to ensure that the number of units billed will correspond to the number of units administered. CHRISTUS's comments are included in their entirety as the Appendix; however, we have redacted personally identifiable information.

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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.

CHRISTUS Hospital

CHRISTUS Hospital–St. Elizabeth (CHRISTUS) is an acute-care hospital in Beaumont, Texas, that has 461 Medicare-certified beds. CHRISTUS's Medicare claims are processed and paid by TrailBlazer Health Enterprises, LLC, the Medicare administrative contractor for Texas.

OBJECTIVE, SCOPE, AND METHODOLOGY

Objective

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

Scope

We reviewed one claim and the resulting payment totaling \$23,000 that Medicare made to CHRISTUS for oxaliplatin furnished to one hospital outpatient during calendar year (CY) 2005.

We limited our review of CHRISTUS'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 data 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 March to June 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 CHRISTUS 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;
- contacted CHRISTUS to determine whether the identified oxaliplatin service was billed correctly and, if not, why the service was billed incorrectly;
- obtained and reviewed records from CHRISTUS that supported the identified claim; and
- repriced incorrectly billed services using ambulatory payment classification groups payment information for the billed HCPCS.

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 4, section 20.4, states: "The definition of service units . . . is the number of times the service or procedure being reported was performed." In addition, chapter 1, section 80.3.2.2, of the manual states: "In order to be processed correctly and promptly, a bill must be completed accurately."

CMS Transmittal A-03-051, Change Request 2771, dated June 13, 2003, instructed outpatient hospitals to bill for oxaliplatin using HCPCS code C9205 to allow a transitional pass-through payment under the OPFS. The description for HCPCS code C9205 is "injection, oxaliplatin, per

5 [milligrams].” Therefore, for each 5 milligrams of oxaliplatin administered to a patient, outpatient hospitals should have billed Medicare for one service unit.

MISCALCULATION OF BILLING UNITS

CHRISTUS did not bill Medicare for oxaliplatin in accordance with Medicare requirements. Specifically, the hospital billed for 10 times the correct number of units on the claim for oxaliplatin furnished to one Medicare beneficiary during CY 2005. During 2005, the HCPCS listed J9263, which had a billing unit of 0.5 milligrams, as another code for oxaliplatin services. CHRISTUS billed Medicare for the one claim based on the 0.5 milligrams billing unit of oxaliplatin rather than the appropriate 5 milligrams in HCPCS code C9205 because of confusion related to the existence of two oxaliplatin codes. As a result, CHRISTUS received an overpayment totaling \$21,090 for oxaliplatin furnished to one hospital outpatient during CY 2005.

RECOMMENDATIONS

We recommend that CHRISTUS:

- refund the \$21,090 overpayment to the Medicare administrative contractor and
- establish procedures to ensure that units of drugs billed correspond to units of drugs administered.

CHRISTUS COMMENTS

In its comments to our draft report, CHRISTUS agreed with our finding and will refund the overpayment. In addition, CHRISTUS has changed its procedures to ensure that the number of units billed will correspond to the number of units administered. CHRISTUS’s comments are included in their entirety as the Appendix; however, we have redacted personally identifiable information.

APPENDIX



CHRISTUS[®]
Hospital

October 4, 2009

Patricia Wheeler
HHS Office of the Inspector General
1100 Commerce, Room 632
Dallas, TX 75242

RE: Report # A-06-09-00069

Dear Ms. Wheeler:

I am writing to you in response to the recently received Review of Oxaliplatin Billing report, to let you know that we are in agreement with the recommendations as outlined on page 3 of the report. In regard to your recommendations, CHRISTUS Hospital has:

- Approved the refund of the \$21,090 overpayment to Trailblazer Health Enterprises, LLC [REDACTED]
- Changed the procedures to ensure that the number of units billed will correspond to the number of units administered

If you wish to discuss this matter further, feel free to contact me at (409) 899-7167 or Cheryl Taylor at (409) 924-3902.

Sincerely,

Charles Foster
VP of Human Resources/Compliance
CHRISTUS Health Southeast Texas

Office of Inspector General Note: The deleted text has been redacted because it is personally identifiable information.