

Department of Health and Human Services

**OFFICE OF
INSPECTOR GENERAL**

**BEN TAUB GENERAL HOSPITAL
CLAIMED UNALLOWABLE MEDICARE
REIMBURSEMENT FOR HOSPITAL
OUTPATIENT DENTAL SERVICES**

*Inquiries about this report may be addressed to the Office of Public Affairs at
Public.Affairs@oig.hhs.gov.*



**Patricia Wheeler
Regional Inspector General**

**February 2014
A-06-13-00004**

Office of Inspector General

<https://oig.hhs.gov>

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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.

INTRODUCTION

Ben Taub Hospital improperly claimed \$818,967 in Medicare reimbursement for hospital outpatient dental services.

WHY WE DID THIS REVIEW

Dental services are generally excluded from Medicare coverage. Previous Office of Inspector General work identified Medicare payments that exceeded charges for outpatient services, resulting in significant overpayments. Some of these payments included charges for unallowable outpatient dental services. For calendar years 2010 and 2011, Ben Taub General Hospital (Ben Taub Hospital) received the second most reimbursement of any hospital in Texas for certain Medicare outpatient dental services that we determined may be ineligible for Medicare payment.

OBJECTIVE

Our objective was to determine whether Ben Taub Hospital claimed Medicare hospital outpatient dental services in accordance with Medicare requirements.

BACKGROUND

The Medicare Program

Title XVIII of the Social Security Act (the Act) established the Medicare program, which provides health insurance coverage to people aged 65 and over, people with disabilities, and people with end-stage renal disease. The Centers for Medicare & Medicaid Services (CMS) administers the program. CMS contracts with Medicare administrative contractors to process and pay Medicare claims submitted by hospital outpatient departments.

Medicare Hospital Outpatient Dental Services

Medicare generally does not cover hospital outpatient dental services. Under the general exclusion provisions of the Act, items and services in connection with the care, treatment, filling, removal, or replacement of teeth or structures directly supporting the teeth (e.g., preparation of the mouth for dentures or removal of diseased teeth in an infected jaw) are not covered (section 1862(a)(12)). Coverage is not determined by the value or the necessity of the dental care but by the type of service provided and the anatomical structure on which the procedure is performed.

For hospital outpatient dental services to be covered, they must be performed as incident to and as an integral part of a procedure or service covered by Medicare.¹ For example, Medicare covers extractions done in preparation for radiation treatment for neoplastic diseases involving the jaw, but a tooth extraction performed because of tooth decay is not covered. Dental services associated with a diagnosis related to cancer or physical trauma are generally eligible for Medicare payment.

¹ *Medicare Benefit Policy Manual*, Publication No. 100-02, chapter 15, § 150.

Ben Taub General Hospital

Ben Taub Hospital is an acute care hospital in Houston, Texas, that has 586 Medicare-certified beds. Effective November 2012, Novitas Solutions, Inc., assumed full responsibility as the Medicare administrative contractor for Jurisdiction H, which includes Texas.

HOW WE CONDUCTED THIS REVIEW

Our review covered 344 Medicare claim lines for hospital outpatient dental services with a diagnosis not related to cancer or physical trauma, totaling \$818,967, provided by Ben Taub Hospital during the period January 1, 2010, through December 31, 2011. We interviewed Ben Taub Hospital officials and determined that its billing system edits related to dental services were not successful in ensuring that all dental services were eligible for Medicare payment and that it did not have written policies and procedures in place related to billing for dental services. We reviewed a simple random sample of 30 claim lines to confirm that the identified 344 claim lines for hospital outpatient dental services with a diagnosis not related to cancer or physical trauma were ineligible for Medicare payment.

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 findings and conclusions based on our audit objectives.

Appendix A contains the details of our audit scope and methodology.

FINDINGS

Ben Taub Hospital claimed Medicare reimbursement for 344 hospital outpatient dental services that did not comply with Medicare requirements. As a result, we concluded that Ben Taub Hospital improperly received \$818,967 in Medicare reimbursement for hospital outpatient dental services that did not comply with Medicare requirements.

UNALLOWABLE MEDICARE HOSPITAL OUTPATIENT DENTAL SERVICES

Our review of the 30 claim lines confirmed that Ben Taub Hospital's outpatient dental services were ineligible for Medicare payment because they were associated with a diagnosis not related to cancer or physical trauma. Although Ben Taub Hospital had billing system edits in place to ensure that it billed only for services that met Medicare requirements, those edits did not ensure that all dental services were eligible for Medicare payment because they were not implemented in all hospital departments where dental services were provided. In addition, Ben Taub Hospital did not have written policies and procedures in place during our audit period related to billing for dental services.

On most of the sampled claim lines we reviewed, Ben Taub Hospital billed Medicare for tooth extractions that were typically performed as a result of tooth decay, which is not a covered

service.² In addition, Ben Taub Hospital billed Medicare for tooth socket repairs (e.g., reshaping of the tooth bone), which is also excluded from Medicare coverage.³ These unallowable tooth extractions and tooth socket repairs accounted for all unallowable claim lines in our sample.

Ben Taub Hospital officials acknowledged that the 30 claim lines were not billed correctly and that the billing system edits were not implemented in all hospital departments where dental services were provided. As a result of our audit work, we concluded that Ben Taub Hospital improperly received \$818,967 in Medicare reimbursement for hospital outpatient dental services that did not comply with Medicare requirements.

RECOMMENDATIONS

We recommend that Ben Taub Hospital:

- refund \$818,967 to the Medicare administrative contractor and
- expand its billing system edits to all hospital departments where dental services are provided to ensure that those services are claimed in accordance with Medicare requirements and establish written policies and procedures related to billing for dental services.

BEN TAUB GENERAL HOSPITAL COMMENTS

In its comments on our draft report, Ben Taub Hospital agreed with our findings and recommendations and explained that the edits related to Medicare claims for dental services were expanded to all hospital departments that provide dental services. In addition, Ben Taub Hospital identified an additional \$57,377 that was claimed in error and refunded the money to Medicare. Ben Taub Hospital's comments are included in their entirety as Appendix B.

² *Medicare Benefit Policy Manual*, Publication No. 100-02, chapter 15, § 150.

³ *Id.*

APPENDIX A: AUDIT SCOPE AND METHODOLOGY

SCOPE

Our review covered 344 Medicare claim lines for hospital outpatient dental services with a diagnosis not related to cancer or physical trauma, totaling \$818,967, provided by Ben Taub Hospital during the period January 1, 2010, through December 31, 2011. We interviewed Ben Taub Hospital officials and determined that its billing system edits related to dental services were not successful in ensuring that all dental services were eligible for Medicare payment and that it did not have written policies and procedures in place related to billing for dental services. We reviewed a simple random sample of 30 claim lines to confirm that the identified 344 claim lines for hospital outpatient dental services with a diagnosis not related to cancer or physical trauma were ineligible for Medicare payment.

We limited our review of Ben Taub Hospital's internal controls to those that were applicable to the selected dental services because our objective did not require an understanding of all internal controls over the submission and processing of claims. Our review allowed us to establish reasonable assurance of the authenticity and accuracy of the data obtained from the National Claims History file, but we did not assess the completeness of the file.

We performed our audit work from May through August 2013.

METHODOLOGY

To accomplish our objective, we:

- reviewed applicable Medicare laws, regulations, and guidance;
- interviewed Medicare officials to obtain an understanding of the Medicare requirements related to hospital outpatient dental services;
- interviewed Ben Taub Hospital officials to gain an understanding of its policies and procedures related to billing Medicare for hospital outpatient dental services;
- extracted from CMS's National Claims History file 344 Medicare claim lines for hospital outpatient dental services with a diagnosis not related to cancer or physical trauma, totaling \$818,967, provided by Ben Taub Hospital for the period January 1, 2010, through December 31, 2011;
- selected a simple random sample of 30 of those claim lines to confirm that the claim lines were ineligible for Medicare payment;
- requested that Ben Taub Hospital officials conduct their own review of the selected claim lines to determine whether they thought that the services were billed correctly;

- evaluated the documentation obtained from Ben Taub Hospital for each sample item to determine whether the claim lines were paid in accordance with Medicare requirements;
- determined the total reimbursement paid for the 344 Medicare claim lines for dental services with a diagnosis not related to cancer or physical trauma; and
- discussed the results of our audit with Ben Taub Hospital officials.

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 findings and conclusions based on our audit objectives.

APPENDIX B: BEN TAUB GENERAL HOSPITAL COMMENTS



Harris Health System
P.O. Box 66769, Houston, Texas 77266-6769

January 3, 2014

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-06-13-00004

Dear Ms. Wheeler

This letter is in response to the Office of Inspector General's ("OIG") letter of December 13, 2013 and draft report, "Ben Taub General Hospital Claimed Unallowable Medicare Reimbursement for Hospital Outpatient Dental Services." We appreciate both the review by the OIG and the opportunity to respond.

The Harris County Hospital District d/b/a Harris Health System ("Harris Health") has reviewed the draft report and agrees with the OIG's finding that Harris Health received Medicare reimbursement for 344 hospital outpatient dental services that may not have met Medicare requirements for reimbursement.

Harris Health determined that while editing systems were in place to identify dental claims that should not be billed to Medicare, these editing systems were only effective for the general dental services areas and not for the Oral and Maxillofacial department. All of the claims that are being refunded were associated with services provided by the Oral Maxillofacial department. Harris Health has ensured that the edits related to Medicare claims for dental services have been expanded to all areas that provide dental services, including the Oral Maxillofacial department. The claim edits were expanded to all areas providing dental services effective June 1, 2013. Harris Health has provided training to the employees who are entering dental charges and billing for dental services.

The audit by the OIG identified 344 claims, totaling \$818,967 for the two-year period, January 1, 2010 through December 31, 2011, as ineligible for Medicare reimbursement. However Harris Health identified additional amounts on the claims that should also be refunded to Medicare. Consequently Harris Health has refunded \$876,344.31 for the 344 claim lines.

Patricia Wheeler
January 3, 2014
Page 2 of 2

Harris Health has already refunded through corrected claims \$90,105.87 to Novitas. Copies of these corrected claims and remittance file information are enclosed. Novitas subsequently correctly paid Harris Health \$2,552.30 for one of these claims. The remainder of \$788,790.74 has been refunded to Novitas through a refund check.

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,

/S/ Terry L. Reeves

Terry L. Reeves
Sr. Vice President, Corporate
Compliance

TLR:tlr
Enclosure: Claims
Remittance Advice Information