

Report in Brief

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U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES
OFFICE OF INSPECTOR GENERAL



Why OIG Did This Audit

Effective January 1, 2013, the Centers for Medicare & Medicaid Services (CMS) established a separate fee schedule for payments under the Medicare Physician Fee Schedule (PFS) for transitional care management (TCM) services rendered to beneficiaries whose medical conditions meet Medicare requirements. Medicare payments made under this PFS are at a higher risk of overpayments because TCM services are still a relatively new category of Medicare-covered services and because there are multiple restrictions on when and how those services can be billed.

Our objective was to determine whether payments made to physicians and qualifying nonphysician-practitioners (collectively referred to as “physicians” for this report) for TCM services provided during calendar years (CYs) 2015 and 2016 complied with Federal requirements.

How OIG Did This Audit

Our audit covered almost 1.8 million TCM claims submitted by physicians totaling \$249.5 million in payments made in CYs 2015 and 2016. We reviewed Federal requirements for TCM services and CMS’s internal controls specific to claims containing TCM services.

Medicare Payments for Transitional Care Management Services Generally Complied With Federal Requirements, but Some Overpayments Were Made

What OIG Found

Payments made to physicians for TCM services provided during CYs 2015 and 2016 generally complied with Federal requirements, but we identified almost \$1.7 million in overpayments associated with 13,577 claims (that were outside the reopening and recovery period) for instances in which multiple physicians billed for TCM services for a beneficiary’s same 30-day TCM service period and for instances in which a physician billed on different dates for TCM and restricted overlapping care management services provided during the same 30-day TCM service period for the same beneficiary. These overpayments represented only 0.006 percent of the total TCM payments made in our audit period. We also identified 853 claims that were outside the reopening and recovery period, and that totaled at least \$74,275 in unallowable services, for instances in which a physician submitted claims on the same date for TCM and restricted overlapping care management services that were rendered for the same beneficiary during a single 30-day TCM service period. We were not able to determine which of these claims were overpayments. CMS did not have controls in place, to include claim system edits, to prevent and detect multiple TCM services provided to beneficiaries and to identify instances of overlapping care management.

What OIG Recommends and CMS Comments

We recommend that CMS: (1) notify appropriate providers (i.e., those for whom CMS determines that this audit constitutes credible information of potential overpayments) so that the providers can exercise reasonable diligence to identify, report, and return any overpayments in accordance with the 60-day rule and identify any of those returned overpayments as having been made in accordance with this recommendation; and (2) implement claims processing controls, including system edits, to prevent and detect overpayments for TCM services.

CMS concurred with both of our recommendations and described corrective actions that it had taken or planned to take. CMS stated that it would analyze our findings to identify appropriate providers and suppliers to notify of potential overpayments. CMS also referred to payment policies that it has changed since our audit period and said it would evaluate opportunities to implement claims processing controls to prevent and detect overpayments for TCM services, as well as the feasibility and cost effectiveness of system edits.