Medicare Advantage Compliance Audit of Specific Diagnosis Codes That Cigna-HealthSpring of Tennessee, Inc. (Contract H4454) Submitted to CMS

What OIG Found
With respect to the 10 high-risk groups covered by our audit, most of the selected diagnosis codes that Cigna submitted to CMS for use in CMS’s risk adjustment program did not comply with Federal requirements. For 195 of the 279 sampled enrollee-years, the medical records that Cigna provided did not support the diagnosis codes and resulted in $509,194 in overpayments.

As demonstrated by the errors found in our sample, Cigna’s policies and procedures to prevent, detect, and correct noncompliance with CMS’s program requirements, as mandated by Federal regulations, could be improved. On the basis of our sample results, we estimated that Cigna received at least $5.9 million in overpayments for 2016 and 2017.

What OIG Recommends and Cigna Comments
We recommend that Cigna: (1) refund to the Federal Government the $5.9 million of estimated overpayments; (2) identify, for the high-risk diagnoses included in this report, similar instances of noncompliance that occurred before and after our audit period and refund any resulting overpayments to the Federal Government; and (3) continue its examination of its existing compliance procedures to identify areas where improvements can be made to ensure that diagnosis codes that are at high risk for being miscoded comply with Federal requirements (when submitted to CMS for use in CMS’s risk adjustment program) and take the necessary steps to enhance those procedures.

Cigna did not concur with our recommendations and did not concur with our findings for 13 sampled enrollee-years which, according to Cigna, were supported by the diagnosis codes on the medical records. Cigna did not directly agree or disagree with our findings for the remaining enrollee-years. Cigna did not agree with our audit methodology, use of extrapolation, and standards for data accuracy, coding, and documentation requirements.

After reviewing Cigna’s comments and the additional information that Cigna provided, we revised the number of enrollee-years in error from 201 to 195 for this final report. We also revised the amount of our first recommendation from $6.3 million (in our draft report) to $5.9 million but made no change to our other recommendations. We followed a reasonable audit methodology and correctly applied applicable Federal requirements underlying the MA program.

The full report can be found at https://oig.hhs.gov/oas/reports/region7/71901193.asp.