

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, 2015, the Centers for Medicare & Medicaid Services (CMS) established a policy for Medicare to pay under the Medicare Physician Fee Schedule for chronic care management (CCM) services rendered to beneficiaries whose medical conditions meet certain criteria. Effective January 1, 2017, CMS unbundled complex CCM from noncomplex CCM and began paying separately for complex CCM. Although scope of service and billing requirements are the same for noncomplex CCM as for complex CCM, the two types of services differ as to clinical staff time, medical decisionmaking, and care planning. CCM services are a relatively new category of Medicare-covered services and are at higher risk for overpayments. This audit expands on the findings of a previous OIG audit.

Our objective was to determine whether payments made by CMS to providers for noncomplex and complex CCM services rendered during calendar years (CYs) 2017 and 2018 complied with Federal requirements.

How OIG Did This Audit

Our audit covered over 7.8 million claims submitted by physicians and over 240,000 claims submitted by hospitals for noncomplex and complex CCM services provided in CYs 2017 and 2018. Paid physician and hospital claims for those services for CYs 2017 and 2018 totaled \$356 million. We reviewed CMS's internal controls specific to claims containing CCM services.

Medicare Continues To Make Overpayments for Chronic Care Management Services, Costing the Program and Its Beneficiaries Millions of Dollars

What OIG Found

Not all payments made by CMS to providers for noncomplex and complex CCM services rendered during CYs 2017 and 2018 complied with Federal requirements, resulting in \$1.9 million in overpayments associated with 50,192 claims. We identified 38,447 claims resulting in \$1.4 million in overpayments for instances in which providers billed noncomplex or complex CCM services more than once for the same beneficiary for the same service period. We also identified 10,882 claims that resulted in \$438,262 in overpayments for instances in which the same provider billed for both noncomplex or complex CCM services and overlapping care management services rendered to the same beneficiaries for the same service periods. Further, we identified 863 claims that resulted in \$52,086 in overpayments for incremental complex CCM services that were billed along with complex CCM services that we identified as overpayments. For these 50,192 claims, beneficiaries' cost sharing totaled up to \$540,680.

These errors occurred because CMS did not have claim system edits to prevent and detect overpayments.

What OIG Recommends and CMS Comments

We recommend that CMS direct the Medicare contractors to: (1) recover the \$1.9 million for claims that are within the reopening period, and instruct providers to refund up to \$540,680, which beneficiaries were required to pay; (2) based on the results of this audit, notify appropriate providers so that they 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 (3) implement claim system edits to prevent and detect overpayments for noncomplex and complex CCM services. We also recommend that CMS implement claim system edits at its level.

CMS concurred with all of our recommendations and described corrective actions for the recovery of the overpayments we identified and the refund of amounts overcharged to beneficiaries. CMS also stated that since our audit period, it has implemented claims processing controls, including system edits, to prevent and detect these types of overpayments. CMS added, though, that some providers may not be liable for the overpayments because they could be found to be without fault under the provisions of the Social Security Act. Our recommendations conform to CMS provisions that the Medicare contractors make determinations regarding the recovery of overpayments.