

Report in Brief

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



Why OIG Did This Review

Intensity-modulated radiation therapy (IMRT) is an advanced type of radiation procedure used to treat difficult-to-reach tumors, and IMRT planning is a computer-based method of developing a plan for delivering the radiation. Medicare makes a bundled payment to hospitals to cover a range of IMRT planning services that may be performed to develop an IMRT treatment plan. However, prior OIG reviews found that some hospitals improperly received separate payments for these services in addition to receiving the bundled payment.

Our objective was to determine whether payments for outpatient IMRT planning services complied with Medicare billing requirements.

How OIG Did This Review

For calendar years (CYs) 2013 through 2015 (audit period), Medicare paid 1,193 hospitals \$109.2 million in bundled payments for IMRT planning, and we identified up to \$25.8 million in potential overpayments for separately billed planning services. (We used data for this period because it was the most recent data available as we began our audit.) These services were billed up to 14 days before the procedure code for the bundled payment was billed by the same hospital for the same beneficiary. Our sampling frame consisted of line items for complex simulations, for which Medicare paid \$21.5 million. We selected a random sample of 100 line items.

Medicare Improperly Paid Hospitals Millions of Dollars for Intensity-Modulated Radiation Therapy Planning Services

What OIG Found

Payments for outpatient IMRT planning services did not comply with Medicare billing requirements. Specifically, for all 100 line items in our sample, the hospitals separately billed for complex simulations when they were performed as part of IMRT planning. The overpayments primarily occurred because the hospitals appeared to be unfamiliar with or misinterpreted the Centers for Medicare & Medicaid Services (CMS) guidance. In addition, the claim processing edits did not prevent the overpayments because the edits applied only to services billed on the same date of service as the billing of the procedure code for the bundled payment, and the services in our sample were billed on a different date of service.

On the basis of our sample results, we estimated that Medicare overpaid hospitals nation-wide as much as \$21.5 million for complex simulations billed during our audit period. In addition, we identified \$4.2 million in potential overpayments for other IMRT planning services that were not included in our sample. In total, Medicare overpaid hospitals as much as \$25.8 million during our audit period.

For IMRT planning services billed in the 2 years after our audit period (for CYs 2016 and 2017), we identified an additional \$3.7 million in potential overpayments for complex simulations and \$1.7 million for other IMRT planning services. In total, Medicare overpaid hospitals as much as \$5.4 million after our audit period.

What OIG Recommends and CMS Comments

We recommend that CMS (1) implement an edit to prevent improper payments for IMRT planning services that are billed before (e.g., up to 14 days before) the procedure code for the bundled payment for IMRT planning is billed, which could have saved as much as \$25.8 million during our audit period and as much as \$5.4 million in the 2 years after our audit period, and (2) work with the Medicare contractors to educate hospitals on properly billing Medicare for IMRT planning services.

In written comments on our draft report, CMS concurred with our recommendations and provided information on actions that it had taken or planned to take to address our recommendations.