

Report in Brief

Date: August 2019

Report No. A-09-18-03004

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



Why OIG Did This Review

Medicare paid about \$1.9 billion for psychotherapy services provided to beneficiaries nation-wide from July 1, 2015, through June 30, 2017 (audit period). Prior OIG reviews found that Medicare had made millions in improper payments for mental health services, including psychotherapy services. After analyzing Medicare claim data, we selected for review Oceanside Medical Group (Oceanside). Our analysis indicated that providers from Oceanside billed Medicare an average of 33 individual services per day. In addition, two providers each billed for services on all but 5 days during our audit period.

Our objective was to determine whether Oceanside complied with Medicare requirements when billing for psychotherapy services.

How OIG Did This Review

Our review covered Oceanside's Medicare Part B claims for psychotherapy services provided during our audit period. Our sampling frame consisted of 52,608 beneficiary days, totaling \$2.8 million. (A beneficiary day consisted of all psychotherapy services provided on a specific date of service for a specific beneficiary for which Oceanside received a Medicare payment.) We reviewed a random sample of 100 beneficiary days, which included 103 individual psychotherapy services. We did not determine whether the services were medically necessary.

Oceanside Medical Group Received Unallowable Medicare Payments for Psychotherapy Services

What OIG Found

Oceanside did not comply with Medicare requirements when billing for psychotherapy services. Specifically, none of the 100 sampled beneficiary days, consisting of 103 psychotherapy services, complied with Medicare requirements: psychotherapy was not provided (52 services), psychotherapy time was not documented (49 services), and adequate supporting documentation was not provided (2 services).

As a result, Oceanside received \$5,317 in unallowable Medicare payments. On the basis of our sample results, we estimated that Oceanside received at least \$2.6 million in unallowable Medicare payments for psychotherapy services. These overpayments occurred because Oceanside did not have policies and procedures or effective management oversight to ensure that psychotherapy services billed to Medicare were actually provided, adequately documented, and correctly billed.

What OIG Recommends and Oceanside Comments

We recommend that Oceanside (1) refund to the Medicare program the portion of the estimated \$2.6 million overpayment for claims that are within the reopening period; (2) for the remaining portion of the estimated \$2.6 million overpayment for claims that are outside of the reopening period, exercise reasonable diligence to identify and return overpayments in accordance with the 60-day rule, and identify any returned overpayments as having been made in accordance with this recommendation; (3) exercise reasonable diligence to identify and return any additional similar overpayments outside of our audit period, in accordance with the 60-day rule, and identify any returned overpayments as having been made in accordance with this recommendation; and (4) implement policies and procedures and strengthen management oversight to ensure that psychotherapy services billed to Medicare are actually provided, adequately documented, and correctly billed.

Oceanside disagreed with our findings and our first recommendation. Oceanside agreed that our second and third recommendations correctly stated Oceanside's obligations under the 60-day rule but disputed that it was "in violation of any overpayment." Oceanside agreed with our fourth recommendation and provided information on actions that it had taken or planned to take to address our recommendation.

After reviewing Oceanside's comments, we maintain that our findings and recommendations remain valid.