

# Report in Brief

Date: April 2020

Report No. A-09-19-03018



## Why OIG Did This Audit

Medicare paid approximately \$2 billion for psychotherapy services provided to Medicare beneficiaries from January 2017 through December 2018 (audit period). Prior OIG reviews found that Medicare had made millions in improper payments for mental health services, including psychotherapy services. These reviews also identified problems with psychotherapy services that were billed in conjunction with evaluation and management (E&M) services. After analyzing Medicare claim data, we selected for audit Grand Desert Psychiatric Services (Grand Desert). Our analysis showed that during our audit period, 80 percent of Grand Desert's psychotherapy services were paid in conjunction with E&M services.

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

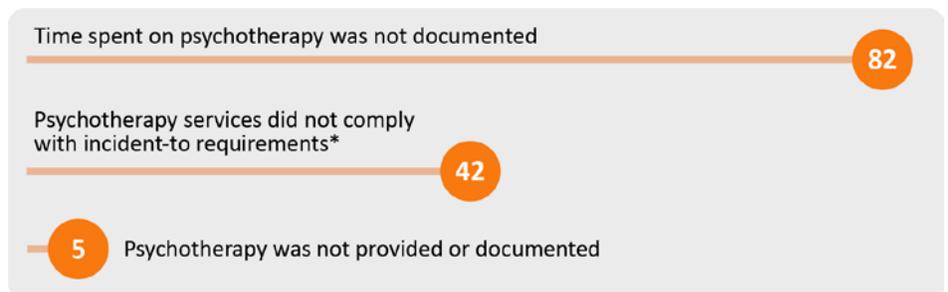
## How OIG Did This Audit

Our audit covered Grand Desert's Medicare Part B claims for psychotherapy services provided during our audit period. Our sampling frame consisted of 8,542 beneficiary days, totaling \$450,663. (A beneficiary day consisted of all psychotherapy services provided on a specific date of service for a specific beneficiary for which Grand Desert received a Medicare payment.) We reviewed a random sample of 100 beneficiary days, consisting of 100 psychotherapy services. We did not determine whether the services were medically necessary.

## Grand Desert Psychiatric Services: Audit of Medicare Payments for Psychotherapy Services

### What OIG Found

Grand Desert did not comply with Medicare requirements when billing for psychotherapy services. Specifically, of the 100 psychotherapy services in our 100 sampled beneficiary days, only 1 service complied with the requirements. However, the remaining 99 services did not comply with the requirements (the total below exceeds 99 because 29 services had more than 1 deficiency):



\* Medicare pays for services billed incident to the service of a physician by nonphysician practitioners if the services meet certain conditions.

As a result, Grand Desert received \$5,173 in unallowable Medicare payments. On the basis of our sample results, we estimated that at least \$421,272 was unallowable for Medicare reimbursement, or 93 percent of the \$450,663 paid to Grand Desert for psychotherapy services.

### What OIG Recommends and Auditee Comments

We recommend that Grand Desert (1) refund to the Medicare contractor \$421,272 in estimated overpayments for psychotherapy services; (2) implement policies and procedures to ensure that psychotherapy services billed to Medicare are adequately documented, including the time spent on those services; (3) strengthen management oversight and review Medicare claims to ensure that psychotherapy services billed to Medicare meet incident-to requirements; (4) improve its billing system to ensure that Medicare claims identify the correct provider of psychotherapy services; and (5) strengthen management oversight to ensure that psychotherapy services billed to Medicare were actually provided and have supporting documentation. The report lists one more recommendation.

We issued our draft report to Grand Desert and requested that it provide us with written comments. Grand Desert informed us that it would not provide written comments.