

Report in Brief

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



Why OIG Did This Audit

Facet-joint injections of an anesthetic with or without a steroid are used to diagnose or treat chronic neck and back pain. A prior OIG review found that 47 percent of Medicare payments to physicians for facet-joint injections nationwide in calendar year (CY) 2006, or approximately \$96 million, did not meet Medicare requirements. In addition, Noridian Healthcare Solutions, LLC (Noridian), the Medicare Administrative Contractor for Jurisdiction E, identified during audits performed in CYs 2016 through 2018 various errors in which physicians did not bill for facet-joint injections in accordance with Medicare requirements.

Our objective was to determine whether Noridian paid physicians in Jurisdiction E for spinal facet-joint injections in accordance with Medicare requirements.

How OIG Did This Audit

Our audit covered Medicare Part B payments of \$9.2 million for 99,447 claim lines for facet-joint injections, which we grouped into 33,125 beneficiary days, with dates of service from January 2018 through May 2019 (audit period). We selected a random sample of 100 beneficiary days. For each beneficiary day, we reviewed medical records to evaluate compliance with selected Medicare billing requirements but did not use medical review to determine whether services were medically necessary. We confirmed our findings with the medical review staff at Noridian.

Noridian Healthcare Solutions, LLC, Made Improper Medicare Payments of \$4 Million to Physicians in Jurisdiction E for Spinal Facet-Joint Injections

What OIG Found

Noridian did not pay physicians in Jurisdiction E for spinal facet-joint injections in accordance with Medicare requirements. Of the sampled 100 beneficiary days, 49 complied with the requirements; however, the remaining 51 beneficiary days did not comply with 1 or more of the requirements. As a result, Noridian improperly paid physicians \$12,546.

These improper payments occurred because Noridian's education of physicians and their billing staff was not sufficient to ensure that they complied with billing requirements for spinal facet-joint injections. On the basis of our sample results, we estimated that Noridian improperly paid physicians \$4.2 million for facet-joint injections for our audit period.

What OIG Recommends and Noridian Comments

We recommend that Noridian: (1) recover \$12,546 in improper payments made to physicians; (2) based upon the results of this audit, notify appropriate physicians (i.e., those for whom Noridian determines this audit constitutes credible information of potential overpayments) so that the physicians 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) provide annual training to physicians and their billing staff in Jurisdiction E specific to Medicare requirements for billing of facet-joint injections, which could have saved an estimated \$4.2 million for our audit period.

Noridian concurred with our recommendations and described actions that it planned to take to address our recommendations, such as developing a webinar presentation to support physician education on facet-joint injections.