

Report in Brief

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



Why OIG Did This Audit

Medicare covers pain management procedures, such as facet-joint interventions, to treat neck or back pain resulting from arthritis in or injury to the spinal facet joints. A prior OIG audit found that for 51 of 100 sampled sessions, a Medicare contractor did not pay physicians in 1 jurisdiction for facet-joint injections in accordance with Medicare requirements. Another OIG audit found that Medicare improperly paid for facet-joint denervation sessions. Because facet-joint interventions are at risk for overutilization and prior audits have found improper payments for these services, we conducted this audit to determine whether Medicare improperly paid for these interventions from August 1 through October 31, 2021 (audit period).

Our objective was to determine whether Medicare paid physicians for spinal facet-joint interventions in accordance with Medicare requirements and guidance.

How OIG Did This Audit

Our audit covered Medicare Part B payments of \$62.2 million for 425,843 claim lines for facet-joint interventions, which we grouped into 218,421 sessions, with dates of service during our audit period. We selected a statistical sample of 120 sessions. For each session, we reviewed beneficiaries' medical records to evaluate compliance with Medicare billing requirements and guidance but did not use medical review to determine whether interventions were medically necessary.

Medicare Improperly Paid Physicians an Estimated \$30 Million for Spinal Facet-Joint Interventions

What OIG Found

Medicare did not pay physicians for some spinal facet-joint interventions in accordance with Medicare requirements and guidance. Of the 120 sampled sessions, 54 complied with Medicare requirements; however, the remaining 66 sessions did not comply with 1 or more of the requirements. As a result, Medicare made improper payments to physicians of \$18,084. On the basis of our sample results, we estimated that Medicare improperly paid physicians \$29.6 million for facet-joint interventions for our audit period.

In addition, of the 120 sampled sessions, 43 had claim lines that were billed for at least 1 therapeutic facet-joint injection. Of these 43 sessions, 33 sessions did not meet Medicare guidance. Specifically, 33 sessions had claim lines that should have been billed for diagnostic instead of therapeutic facet-joint injections. This improper billing did not result in improper payments because Medicare pays the same amount for diagnostic and therapeutic facet-joint injections.

The Medicare Administrative Contractors' (MACs') education of physicians and their billing staff varied across their jurisdictions and was not always sufficient to ensure compliance with Medicare requirements and guidance.

What OIG Recommends and CMS Comments

We recommend that the Centers for Medicare & Medicaid Services (CMS) direct the MACs to recover \$18,084 in improper payments made to physicians for the 66 sampled sessions. We also recommend that CMS encourage the MACs to: (1) develop collaborative training programs to be used for all of the MAC jurisdictions and that are specific to Medicare requirements for facet-joint interventions, which could have saved an estimated \$29.6 million for our audit period; and (2) develop solutions to prevent the incorrect billing of diagnostic facet-joint injections as therapeutic facet-joint injections, such as developing additional education or updating guidance on how each type of injection should be billed. The report contains one other recommendation.

CMS concurred with our recommendations and described actions that it had taken or planned to take to address our recommendations. These actions included, among others, directing the MACs to recover the identified overpayments consistent with relevant law and CMS's policies and procedures, as well as notifying the MACs of this audit so that they may determine whether additional education on proper billing and Medicare requirements for facet-joint interventions is necessary.