

Department of Health and Human Services

**OFFICE OF
INSPECTOR GENERAL**

**OVER FOUR MILLION
MEDICARE SUMMARY
NOTICES MAILED TO
BENEFICIARIES WERE NOT
DELIVERED IN 2012**



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EXECUTIVE SUMMARY: OVER FOUR MILLION MEDICARE SUMMARY NOTICES MAILED TO BENEFICIARIES WERE NOT DELIVERED IN 2012

OEI-03-12-00600

WHY WE DID THIS STUDY

As part of its efforts to reduce Medicare fraud and abuse, the Centers for Medicare & Medicaid Services (CMS) relies on beneficiaries to report suspicious activity identified on their Medicare Summary Notices (MSNs). MSNs are paper forms that summarize processed claims. Claims processors are responsible for providing MSNs to beneficiaries. If MSNs go undelivered, beneficiaries do not have the opportunity to review the services or items billed to Medicare. The Department of Health and Human Services' *FY 2011 Agency Financial Report* identified CMS's lack of a policy for addressing undelivered MSNs as a weakness in the agency's financial oversight of Medicare contractors. This study provides information on the quantity of undelivered MSNs and the procedures that claims processors use to handle undelivered MSNs.

HOW WE DID THIS STUDY

We requested from CMS any policies regarding undelivered MSNs. For claims processors in operation during 2012, we reviewed their written procedures and survey responses regarding tracking and followup procedures for undelivered MSNs. From claims processors' survey responses, we determined the number of undelivered MSNs returned in 2012. In addition, we reviewed a purposive sample of 1,445 undelivered MSNs returned to 3 claims processing companies during the second full week of January 2013. For each undelivered MSN in our sample, we reviewed beneficiary addresses; identified compromised—e.g., stolen or misused—beneficiary and provider numbers; and calculated total Medicare-allowed amounts.

WHAT WE FOUND

Claims processors reported 4.2 million MSNs as undeliverable to beneficiaries. Without CMS guidance on undelivered MSNs, claims processors' tracking and followup procedures are limited and varied. Claims processors identified incorrect or invalid beneficiary addresses as the most common reason why MSNs were undeliverable. We found that there continues to be a problem with incorrectly populated beneficiary addresses in the data systems that claims processors use to process MSNs. Some of the undelivered MSNs reviewed were associated with compromised beneficiary or provider identification numbers.

WHAT WE RECOMMEND

Undelivered MSNs that are returned to claims processors cannot be reviewed by beneficiaries as a defense against fraud. Therefore, CMS should reduce the likelihood that MSNs are undeliverable by ensuring that the address information that claims processors use to print addresses on MSNs is complete and properly formatted. To help promote consistency and efficiency in activities related to undelivered MSNs, CMS should provide guidance to claims processors about whether and how to track and follow up on undelivered MSNs. CMS concurred with our recommendations.

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OBJECTIVES

To determine:

1. the number and nature of undelivered Medicare Summary Notices (MSN) returned to claims processors; and
2. the extent to which Medicare claims processors track and follow up on undelivered MSNs.

BACKGROUND

Medicare Summary Notices

The Centers for Medicare & Medicaid Services (CMS) uses claims processors to perform the day-to-day claims administration for the Medicare fee-for-service program.¹ As part of their responsibilities, claims processors must provide MSNs to approximately 37 million Medicare beneficiaries.²

MSNs are the primary vehicle by which beneficiaries are notified of decisions on their Medicare claims.³ An MSN is a paper form sent to a beneficiary that summarizes the claims that have been processed on his or her behalf.⁴ MSNs list the services billed to Medicare, what Medicare paid for the services, and what the beneficiary may owe the provider. MSNs are sent at least quarterly to beneficiaries for whom claims were processed.

MSNs and Fraud Detection

MSNs serve as a fraud detection tool that beneficiaries can use to ensure that Medicare is paying for services or items that were actually provided to them. CMS recommends that beneficiaries check their MSNs carefully for suspicious charges, as services or items appearing on an MSN that were never provided may be a sign of fraudulent activity. In June 2013, a CMS official stated that beneficiaries' "best defense against fraud is to check their MSNs for accuracy and to diligently protect their health information for privacy."⁵ An OIG report found that in 2001, almost half

¹ The fee-for-service program includes items and services covered by Medicare Parts A and B.

² CMS, *Medicare Claims Processing Manual*, Pub. No. 100-04, ch. 21 § 10.

³ *Ibid.*

⁴ A beneficiary may submit a claim to Medicare for direct reimbursement using Form CMS 1490S (*Patient's Request for Medical Payment*). In these cases, reimbursement checks are included with MSNs sent to beneficiaries.

⁵ CMS, *Medicare Urges Seniors to Join the Fight Against Fraud*. Accessed at <http://www.cms.gov/Newsroom/MediaReleaseDatabase/Press-Releases/2013-Press-Releases-Items/2013-06-06.html> on June 10, 2013.

of beneficiaries who thought they had experienced Medicare fraud reported it and most beneficiaries regularly read their claim statements.⁶ In recent years, CMS has worked with beneficiaries to redesign the MSN to make it easier to spot and report potential fraud on claims submitted for their care. CMS expected to begin mailing the new MSN to beneficiaries in summer 2013.

As part of its efforts to reduce Medicare fraud and abuse, CMS relies on beneficiaries to report suspicious activity identified on their MSNs. For example, CMS uses beneficiaries' complaints of suspected fraudulent billing on their MSNs to enhance its database of compromised beneficiary and provider identification numbers, known as the Compromised Number Checklist (CNC).^{7, 8} CMS sends an updated CNC to each benefit integrity contractor monthly and incorporates the CNC into its Fraud Prevention System, an initiative to identify aberrant and suspicious billing patterns prior to the payment of claims.

Undelivered MSNs

MSNs sometimes fail to reach the beneficiaries and are returned to claims processors. If MSNs go undelivered, beneficiaries do not have the opportunity to review the services or items billed to Medicare on their behalf.

CMS's *Medicare Claims Processing Manual* does not address whether or how claims processors should track and follow up on undelivered MSNs. The Department of Health and Human Services' (HHS) *Agency Financial Report* for both fiscal years 2010 and 2011 highlighted CMS's lack of a policy regarding undelivered MSNs, identifying it as a weakness in the agency's financial oversight of Medicare contractors.⁹ These two reports stated that when beneficiaries cannot review their MSNs and notify CMS of any unusual services or charges, improper payments could go undetected.

⁶ OIG, *Beneficiary Awareness of Medicare Fraud: A Follow Up*, OEI-09-00-00590, November 2001.

⁷ Beneficiary Medicare identification numbers are known as Health Insurance Claim numbers. Provider Medicare identification numbers are known as National Provider Identifiers. In this report, we refer to beneficiary Medicare identification numbers as "beneficiary numbers" and provider Medicare identification numbers as "provider numbers."

⁸ The CNC includes compromised provider and beneficiary numbers obtained through fraud investigations, reports of security breaches, and complaints from providers or beneficiaries. For example, a beneficiary number may be considered compromised if it is stolen or misused.

⁹ HHS, *FY 2010 Agency Financial Report* and *FY 2011 Agency Financial Report*, November 15, 2010, and November 14, 2011, respectively.

The Social Security Administration (SSA) maintains the address data that CMS provides to claims processors. The SSA address database is updated when a beneficiary registers a change of address through SSA or through the United States Postal Service (USPS). In addition, MSNs are sent as first class mail, which is forwarded if the beneficiary has provided the USPS with a forwarding address.

Undelivered MSNs and Compromised Numbers. Undelivered MSNs may contain beneficiary or provider numbers that are compromised and have been fraudulently used to bill for services that were never provided. Sometimes, beneficiaries’ or providers’ numbers are stolen or used without their knowledge. Other times, the beneficiaries or providers are complicit in the scheme, receiving payment for the use of their identifiers. If claims billed by fraudulent providers appear on undelivered MSNs, noncomplicit beneficiaries do not have the opportunity to detect that Medicare was billed for services that they never received.

METHODOLOGY

Data Collection

Documentation and Survey Data. We requested from CMS any policies regarding undelivered MSNs. From the 19 claims processors in operation during 2012, we requested standard written procedures used to track and follow up on undelivered MSNs. We requested that claims processors provide the total number of undelivered MSNs returned in 2012, as well as the total amount paid by Medicare for services listed on these undelivered MSNs. In addition, each claims processor completed a survey regarding tracking and followup activities for undelivered MSNs. As part of our survey, we asked claims processors about CMS’s requirements regarding the tracking and review of undelivered MSNs.

Undelivered MSNs. For 3 companies that have claims processor contracts, we requested that each collect and send for our review the first 500 undelivered MSNs received from January 13 to January 19, 2013. Table 1 shows the types of claims processed by these three companies.

Table 1: Types of Claims Processed by the Companies That Provided Undelivered MSNs

Types of Claims Processed by Three Selected Companies	Number of Undelivered MSNs Requested
Durable medical equipment, prosthetics, orthotics, and supplies (DMEPOS) claims	500
Part A and Part B claims	500
Part A, Part B, home health, and hospice claims ¹	500

Source: OIG analysis of a purposive sample of undelivered MSNs, 2013.

¹ This particular company had two claims-processing contracts. A single company may have more than one claims-processing contract. We asked that company to provide the first 500 undelivered MSNs collectively received by its two claims processors.

Using the claim number(s) appearing on undelivered MSNs, we obtained the most recently updated claim record data from the Medicare National Claims History (NCH) through the Services Tracking, Analysis, and Reporting System (STARS).¹⁰ These claim records include the Medicare-allowed amount, the type of service, and the beneficiary and provider numbers.

Although we requested 1,500 undelivered MSNs, our purposive sample included 1,445 undelivered MSNs. Examples of the 55 undelivered MSNs that were unusable for our purposes were those that had missing pages or lacked a claim record in the NCH file. Our final sample included 398 undelivered MSNs for Part A services, 483 undelivered MSNs for Part B DMEPOS services, and 564 undelivered MSNs for other Part B services. These undelivered MSNs were associated with 5,461 claims contained in the NCH file.¹¹

Analysis

We reviewed and summarized claims processors' documentation and survey responses regarding their tracking and followup activities for undelivered MSNs. From claims processors' survey responses, we determined the number of undelivered MSNs returned to claims processors in 2012.

We compared each of the beneficiary and provider numbers on the undelivered MSNs in our sample to the April 2013 CNC to determine whether there were any compromised numbers on claims with allowed amounts greater than \$0.00. For each address on the undelivered MSNs in our sample, we determined whether the address had been updated in STARS as of April 2013.¹² Finally, we calculated the total allowed amounts associated with claims that appeared in our sample of undelivered MSNs.

¹⁰ STARS extracts claim information from the NCH file. For 98 DMEPOS claims, we accessed NCH file claim information from the Integrated Data Repository.

¹¹ We could not locate a claim record on the NCH file for 88 claim numbers that appeared on undelivered MSNs in our sample. These 88 claims were excluded from our analysis. Other claims that appeared on the same undelivered MSNs as these 88 claims were included in our analysis.

¹² STARS extracts beneficiary information from CMS's Enrollment Database (EDB). The beneficiary's mailing contact address in the EDB is populated by address data from SSA and the Railroad Retirement Board.

Limitations

Our purposive sample of undelivered MSNs is not representative of all undelivered MSNs. It is also not representative of all undelivered MSNs returned to the three companies in our review. Therefore, the results of our analysis are limited to the undelivered MSNs we reviewed.

Standards

This study was conducted in accordance with the *Quality Standards for Inspection and Evaluation* issued by the Council of the Inspectors General on Integrity and Efficiency.

FINDINGS

Claims processors reported 4.2 million MSNs as undeliverable to beneficiaries

CMS did not monitor how many MSNs failed to reach Medicare beneficiaries during 2012. CMS did not require claims processors to report the number of undeliverable MSNs that were returned to them during calendar year 2012 and none of the claims processors reported to CMS the number of undeliverable MSNs returned that year.

In 2012, claims processors mailed 194 million MSNs to beneficiaries. According to claims processors, approximately 4.2 million MSNs were returned as undeliverable in 2012. However, the volume of undelivered MSNs returned in 2012 is likely to be greater than 4.2 million, as 1 of the 19 claims processors did not report the number of undelivered MSNs and 7 claims processors provided data that did not cover the full calendar year. In addition, two claims processors reported the number of undelivered MSN envelopes—which may each contain multiple MSNs—rather than the number of undelivered MSNs.¹³ The remaining claims processors reported either counts or estimates that covered the full calendar year. Claims processors' reports for the number of undelivered MSNs returned in 2012 are shown in Appendix A.

Claims processors could not provide the total Medicare payment amounts associated with these undelivered MSNs. The allowed amounts associated with a sample of 1,445 undelivered MSNs returned in January 2013 totaled \$2.7 million.¹⁴

Some undelivered MSNs were associated with compromised numbers

Of 1,445 undelivered MSNs, 51 included paid claims that were associated with compromised beneficiary or provider numbers. Forty-seven undelivered MSNs were associated with compromised beneficiary numbers, and four undelivered MSNs were associated with compromised provider numbers. The allowed amounts on these undelivered MSNs ranged from \$0.11 to \$41,546 and totaled \$165,983.

¹³ According to CMS's *Medicare Claims Processing Manual* (Section 10.3.2), if a claims processor's system allows it to do so, and multiple MSNs are available for mailing, the claims processor may enclose all MSNs in the same envelope.

¹⁴ Our sample included 398 undelivered MSNs for Part A services, 483 undelivered MSNs for Part B DMEPOS services, and 564 undelivered MSNs for other Part B services.

Claims processors' procedures for tracking and following up on undelivered MSNs are limited and varied

CMS requires claims processors to provide MSNs to Medicare beneficiaries, but it has not issued guidance regarding whether or how to track and follow up on undelivered MSNs. In practice, not all claims processors track or follow up on undelivered MSNs, and those that do utilize a variety of methods. According to CMS staff, when claims processors have requested guidance on the storage of undelivered MSNs, CMS has allowed claims processors to destroy the undelivered MSNs. However, CMS has not issued a written directive to all claims processors on the storage and/or destruction of undelivered MSNs.

Although many claims processors track some information regarding undelivered MSNs, activities are inconsistent across claims processors

Despite a lack of CMS guidance, 16 of 19 claims processors track some information regarding undelivered MSNs that are returned to them. These activities include tracking the quantity of undelivered MSNs, recording information about undelivered MSNs, and storing undelivered MSNs.

Tracking the Number of Undelivered MSNs. Twelve of nineteen claims processors tracked undelivered MSNs to some extent. These claims processors reported using various techniques, including spreadsheets, machines that count the number of returned envelopes containing MSNs, and electronic filing systems that store scanned images of returned MSNs. Seven of these twelve claims processors could provide exact counts of the number of undelivered MSNs returned in 2012.¹⁵ Two additional claims processors could provide exact counts for only the returned MSNs that included checks for beneficiaries. Five of these twelve claims processors have written procedures outlining how they track undelivered MSNs.

Recording Information About Undelivered MSNs. Six of nineteen claims processors record information about undelivered MSNs, including information listed on undelivered MSNs and information listed on beneficiary checks returned with undelivered MSNs. Among the six claims processors that record any information about undelivered MSNs, the most common pieces of information tracked were the beneficiary number, the beneficiary name, the claims processor contract number, the date the MSN was returned, and—for beneficiary checks returned with undelivered

¹⁵ Three of these seven claims processors were affiliated with one company, which reported an exact count for the collective undelivered MSNs returned to its three claims processors.

MSNs—the check number. All of these six claims processors have written procedures for tracking information regarding undelivered MSNs.

No claims processors track the allowed amounts associated with undelivered MSNs. However, two claims processors track the dollar amounts on beneficiary checks returned with undelivered MSNs. For these claims processors, \$3.9 million in checks to beneficiaries were returned with 26,266 undelivered MSNs in 2012.

Storing Undelivered MSNs. All but 1 of the 19 claims processors eventually destroy some or all of the undelivered MSNs that are returned to them. Eleven of nineteen store undelivered MSNs by keeping the originals, electronic copies, or both the originals and electronic copies. Four of the nineteen claims processors keep indefinitely only the returned MSNs that include checks for beneficiaries. One claims processor keeps all undelivered MSNs and reported spending \$34,282 per year on storage. Eight of the eleven claims processors that store undelivered MSNs have written procedures regarding their storage practices.

Half of claims processors attempt to verify addresses on undelivered MSNs, but few conduct any further followup

Ten of nineteen claims processors attempt to determine a new or correct beneficiary address for any undelivered MSNs returned to them. All 10 of these claims processors have written procedures. As part of their efforts, they compare the address for the undelivered MSN to addresses listed in the EDB, the Health Insurance Master Record (HIMR), the Common Working File (CWF), and/or the Shared Systems that claims processors use to process Medicare claims.¹⁶ In 2012, 5 of the 10 claims processors that verify addresses did so for all of their undelivered MSNs. Two of these claims processors report that they suppress future MSN mailings to undeliverable addresses until those addresses have been updated in their system. The remaining five claims processors verified addresses only for undelivered MSNs that were returned with beneficiary checks, lacked postage, or were not inserted into the envelope properly, which accounted for less than 3 percent of their undelivered MSNs in 2012.

Despite these efforts to identify new or correct beneficiary addresses, claims processors must use the addresses in their data systems for MSNs. These addresses come directly from SSA. Only beneficiaries can update

¹⁶ SSA maintains the beneficiary address data that populate the HIMR, EDB, CWF, and Shared Systems. SSA maintains the Master Beneficiary Record (MBR) from which the HIMR is established, and beneficiary address data are transmitted electronically from the MBR to the EDB, from the EDB to the CWF, and from the CWF to the Shared Systems.

their SSA address information. When claims processors identify a new or corrected address, they may direct beneficiaries to contact SSA to register a change of address.

Among the sample of undelivered MSNs we reviewed, there were no changes made to 71 percent of the corresponding beneficiary addresses (1,033 of 1,445) in CMS's system 3 months after the MSNs were returned to claims processors.

Five claims processors attempt to determine the reasons MSNs are undeliverable. Two of these five claims processors attempt to determine whether the services on undelivered MSNs are associated with a higher incidence of fraud, waste, and abuse. No claims processors refer information on undelivered MSNs to program integrity contractors.

Claims processors identified incorrect or invalid addresses as the most common reason MSNs were undeliverable

Among the five claims processors that attempt to determine the reason(s) MSNs were undelivered, the most common reason identified was incorrect or invalid addresses. Such addresses may result from formatting errors in the data systems used by claims processors to print addresses on MSNs. In 2006, CMS recognized that beneficiary address data from the CWF were not populating correctly into the Shared Systems because the address fields in the two had different line length and character configurations.¹⁷ CMS instructed system maintainers to modify the Shared Systems to accept the complete CWF address.¹⁸ However, one claims processor continued to report that MSNs are returned in part because beneficiary address data from the CWF are populated incorrectly into the Shared Systems. In addition, our review of sampled undelivered MSNs identified incomplete beneficiary addresses that appeared to result from incorrectly populated data. For example, a street address on an undelivered MSN might appear as "WHERE BLVD," when the street address data in STARS was "100 ANY WHERE BLVD."

According to claims processors, other reasons MSNs were undelivered include that the beneficiary was temporarily away, the address's forwarding order had expired, the MSN had been inserted into the envelope improperly, and the envelope did not have sufficient postage. Among the undelivered MSNs reviewed, two envelopes were returned with handwritten notes indicating that the envelope had insufficient postage for a foreign address.

¹⁷ CMS, Transmittal 205, Change Request 4224. *CMS Manual System*, Pub. No. 100-20, "Beneficiary Change of Address."

¹⁸ Effective July 1, 2006.

CONCLUSION AND RECOMMENDATIONS

As part of its efforts to reduce Medicare fraud and abuse, CMS relies on beneficiaries to report suspicious activity identified on their MSNs. In fact, a CMS official stated in June 2013 that beneficiaries' best defense against fraud includes checking their MSNs for accuracy. However, we found that at least 4.2 million MSNs did not reach some of these beneficiaries. Therefore, CMS is missing the opportunity to solicit these beneficiaries' help in the fight against fraud.

Claims processors are responsible for providing MSNs to Medicare beneficiaries, but CMS does not provide claims processors with guidance on whether or how to track or follow up on MSNs that are returned as undeliverable. In addition, the HHS *FY 2011 Agency Financial Report* identified CMS's lack of a policy for addressing undelivered MSNs as a weakness in CMS's financial oversight of Medicare contractors. While we do not know the amount paid by Medicare for services associated with undelivered MSNs, it may total hundreds of millions of dollars.

Without guidance for handling undelivered MSNs, claims processors have developed their own approaches. However, these approaches are not consistent across the Medicare program because not all claims processors track or follow up on undelivered MSNs and those that do use a variety of methods.

Among claims processors that attempt to determine reasons MSNs are returned as undeliverable, the most common reason identified was incorrect or invalid addresses. We found that there continues to be a problem with incorrectly populated beneficiary addresses in the data systems that claims processors use to process MSNs.

We recommend that CMS:

Provide guidance to claims processors about handling MSNs that are returned as undeliverable

To help promote consistency and efficiency in activities related to undelivered MSNs, CMS should provide guidance to claims processors about whether and how to track and follow up on undelivered MSNs. This guidance should include instructions to claims processors about whether or when and how to:

- destroy or store undelivered MSNs,
- keep a record of the number of undelivered MSNs,
- record information about undelivered MSNs,
- verify beneficiary addresses for undelivered MSNs,

- ensure that claims processors encourage beneficiaries to register a change of address with SSA when the claims processor is made aware of a new or corrected address,
- analyze information on undelivered MSNs to identify patterns indicative of potential fraud and abuse, and
- refer information on undelivered MSNs to program integrity contractors.

Ensure that the address information used by claims processors to print addresses on MSNs is complete and properly formatted

CMS should reduce the likelihood that MSNs are returned as undeliverable by ensuring that claims processors have access to the complete beneficiary address information maintained by SSA. Since July 2006, CMS has instructed system maintainers to ensure that the Shared Systems used by claims processors accept the complete beneficiary address from the CWF. CMS should ensure that the Shared Systems contain beneficiary addresses that match the addresses on file in the CWF. Given that we saw examples of incomplete addresses on our review of undelivered MSNs, CMS should also ensure that claims processors are formatting addresses correctly for printing on MSNs.

AGENCY COMMENTS AND OFFICE OF INSPECTOR GENERAL RESPONSE

CMS concurred with both of our recommendations. Regarding the first recommendation, CMS stated that its Office of Communication will work with the Center for Medicare and with claims processors' Contracting Office Representatives to develop instructions as to what claims processors should do with undelivered MSNs that are returned to them. In addition, CMS stated that it will also explore with claims processors the possible actions that can be taken, within reasonable costs, to reduce the number of returned MSNs.

In response to our second recommendation, CMS stated that it will work with SSA to determine if addresses are being altered between when SSA provides them to CMS and when the claims processors retrieve them from the CWF. CMS reported that if it finds that the addresses are being altered in any manner, it will work with appropriate parties to rectify the situation. OIG agrees that this is an appropriate step to take to ensure that beneficiaries are receiving their MSNs.

OIG agrees that reducing the number of returned MSNs is an important step in protecting the integrity of Medicare. Ensuring that more beneficiaries receive their MSNs increases the opportunity for beneficiaries to participate in the fight against Medicare fraud and improper payments.

The full text of CMS's comments is provided in Appendix B.

APPENDIX A

Number of Undelivered MSNs Reported by Claims Processors for 2012

Table A-1 provides the number of undelivered MSNs reported by each of the 19 claims processors in operation during calendar year 2012.

Table A-1: Number of Undelivered MSNs Reported By Claims Processors for 2012

Claims Processor ¹	Number of Months for Which Claims Processors Reported Data	Number of Undelivered MSNs
Claims Processor 1	12	260,000
Claims Processor 2	12	245,000
Claims Processor 3	12	214,000
Claims Processor 4	12	454,739
Claims Processors 5, 6, and 7 combined ²	11	624,527
Claims Processor 8	12	180,000
Claims Processor 9	11	65,000
Claims Processors 10 and 11 combined ³	12	1,057,266
Claims Processor 12	11	178,835
Claims Processor 13	4	146,319
Claims Processor 14	12	181,889
Claims Processor 15	12	233,997
Claims Processor 16	Not provided	Not provided
Claims Processor 17	12	126,000
Claims Processor 18	12	203,000
Claims Processor 19	4	64,000
Total		4,234,572

Source: OIG analysis of claims processor surveys, 2013.

¹ We assigned a unique identifier to each of the 19 claims processors in operation in 2012.

² Claims processors 5, 6, and 7 are affiliated with the same company, which reported the collective number of undelivered MSNs returned to the three claims processors.

³ Claims processors 10 and 11 are affiliated with the same company, which reported the collective number of undelivered MSNs returned to the two claims processors.

APPENDIX B

Agency Comments



DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services

Administrator
Washington, DC 20201

DATE: JAN -6 2014

TO: Daniel R. Levinson
Inspector General

FROM: Marilyn Tavenner /S/
Administrator

SUBJECT: Office of Inspector General (OIG) Draft Report: Over Four Million Medicare Summary Notices Mailed to Beneficiaries Were Not Delivered in 2012 (OEI-03-12-00600)

The Centers for Medicare & Medicaid Services (CMS) appreciates the opportunity to review and comment on the above referenced OIG draft report. The objectives of the report were to determine: (1) the number and nature of undelivered Medicare Summary Notices (MSN) returned to claims processors; and (2) the extent to which Medicare claims processors track and follow up on undelivered MSNs.

The CMS response to each of the OIG recommendations follows:

OIG Recommendation:

The OIG recommend that CMS provide guidance to claims processors about handling Medicare Summary Notices (MSNs) that are returned as undeliverable.

CMS Response:

The CMS concurs with this recommendation. The Office of Communication will work with the Center for Medicare and the Medicare Administrative Contractor's (MAC) Contracting Officer Representative (CORs) to draft a continuing resolution that will provide instructions to the claims processors on what they should do with undelivered MSNs that are returned to them. CMS will also explore possible actions with the MACs that might reduce the number of returned MSNs that can be performed within reasonable costs.

OIG Recommendation:

The OIG recommend that CMS ensure that the address information used by claims processors to print addresses on MSNs is complete and properly formatted.

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CMS Response:

The CMS concurs with this recommendation. CMS will work with SSA to determine if addresses are being altered between the time SSA provides them to CMS, and the claims processors retrieve them from the CWF. If the addresses are being altered in any manner we will work with appropriate parties to rectify the situation.

Again, we appreciate the opportunity to comment on this draft report and look forward to working with OIG on this and other issues.

ACKNOWLEDGMENTS

This report was prepared under the direction of Robert A. Vito, Regional Inspector General for Evaluation and Inspections in the Philadelphia regional office, and Linda M. Ragone, Deputy Regional Inspector General.

Tanaz Dutia served as the team leader for this study. Other Office of Evaluation and Inspections staff from the Philadelphia regional office who conducted the study include Joanna Bisgaier, Nancy J. Molyneaux, and Russell Tisinger. Central office staff who provided support include Scott Manley and Christine Moritz.

Office of Inspector General

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