

Department of Health and Human Services

**OFFICE OF
INSPECTOR GENERAL**

**WISCONSIN PHYSICIANS SERVICE PAID
PROVIDERS FOR HYPERBARIC OXYGEN
THERAPY SERVICES THAT DID NOT
COMPLY WITH MEDICARE
REQUIREMENTS**

*Inquiries about this report may be addressed to the Office of Public Affairs at
Public.Affairs@oig.hhs.gov.*



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Deputy Inspector General
for Audit Services

February 2018
A-01-15-00515

Office of Inspector General

<https://oig.hhs.gov>

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OFFICE OF AUDIT SERVICES FINDINGS AND OPINIONS

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Report in Brief

Date: February 2018

Report No. A-01-15-00515

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



Why OIG Did This Review

Hyperbaric oxygen therapy (HBO therapy) involves giving a patient high concentrations of oxygen within a pressurized chamber in which the patient intermittently breathes in 100-percent oxygen. A prior Office of Inspector General review identified issues with Medicare payments for HBO therapy. More recently, a review by a Centers for Medicare & Medicaid Services (CMS) contractor found that claims for HBO therapy services were denied because of a lack of medical documentation. In 2015, CMS began a prior authorization demonstration program for non-emergent HBO therapy to test its effectiveness.

For this review, we focused on one Medicare administrative contractor, Wisconsin Physicians Service Government Health Administrators (WPS), because of the high volume of paid outpatient claims that contained HBO therapy services.

Our objective was to determine whether WPS paid providers in 2013 and 2014 for HBO therapy services that complied with Medicare requirements.

How OIG Did This Review

Our review covered 44,940 outpatient claims totaling \$59.5 million for Jurisdiction 5 that contained HBO therapy services provided to Medicare beneficiaries during calendar years 2013 through 2014. We selected a stratified random sample of 120 outpatient claims. Our medical review contractor subsequently reviewed the medical records for compliance with Medicare requirements.

Wisconsin Physicians Service Paid Providers for Hyperbaric Oxygen Therapy Services That Did Not Comply With Medicare Requirements

What OIG Found

WPS paid 73 providers for HBO therapy services that did not comply with Medicare requirements. Of the 120 sampled outpatient claims totaling \$438,210, WPS made payments for HBO therapy in accordance with Medicare requirements for 18 claims. However, WPS made payments for HBO therapy that did not comply with Medicare requirements for 102 claims, resulting in overpayments totaling \$300,789. WPS made payments for HBO therapy that did not always comply with Medicare requirements because it had limited policies and procedures in place to ensure that it made correct payments. Based on our sample results, we estimate that WPS overpaid providers in Jurisdiction 5 \$42.6 million during the audit period for HBO therapy that did not comply with Medicare requirements.

What OIG Recommends and WPS Comments

We made several recommendations to WPS, including that it (1) recover the appropriate portion of the \$300,789 in identified Medicare overpayments; (2) notify the providers responsible for the 44,820 nonsampled claims, with potential overpayments estimated at \$42.3 million, so that those providers can investigate and return any identified overpayments; (3) identify and recover any improper payments for HBO therapy made after the audit period; and (4) strengthen its policies and procedures for making payments for HBO therapy, which would result in millions in future cost savings.

In written comments on our draft report, WPS generally agreed with our recommendations. WPS stated that it has taken corrective actions to address issues with the overuse of HBO therapy. In 2015, WPS initiated CMS's Non-Emergent Hyperbaric Oxygen Therapy Prior Authorization demonstration program in Michigan. WPS also stated that it conducted further data analysis to identify providers and diagnosis codes at risk for overutilization and offered education to providers about the proper use of HBO therapy.

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INTRODUCTION

WHY WE DID THIS REVIEW

Hyperbaric oxygen therapy (HBO therapy) involves giving a patient high concentrations of oxygen within a pressurized chamber in which the patient intermittently breathes in 100-percent oxygen. A prior Office of Inspector General (OIG) review on HBO therapy expressed concerns that (1) Medicare beneficiaries received treatments for noncovered conditions, (2) medical documentation did not adequately support treatments, and (3) Medicare beneficiaries received more treatments than were considered medically necessary.¹

More recently, a review by a Centers for Medicare & Medicaid Services (CMS) contractor found that claims for HBO therapy services were denied because of a lack of medical documentation to support that the services were medically reasonable and necessary.² In 2015, CMS began a prior authorization demonstration program for non-emergent HBO therapy in Illinois, Michigan, and New Jersey. The program does not create additional documentation requirements, but requires the documentation to be submitted earlier in the claim payment process for certain covered conditions. CMS is using this program to test whether prior authorization reduces expenditures and ensures HBO therapy services provided are in compliance with Medicare requirements. For this review,³ we focused on one Medicare administrative contractor (MAC), Wisconsin Physicians Service Government Health Administrators (WPS), because it paid approximately 19 percent of all Medicare outpatient claims that contained HBO therapy services in 2013 and 2014.

OBJECTIVE

Our objective was to determine whether WPS paid providers in 2013 and 2014 for HBO therapy services that complied with Medicare requirements.

BACKGROUND

Hyperbaric Oxygen Therapy

HBO therapy is typically performed as an outpatient procedure. Patients may receive HBO therapy in a monoplace chamber or a multiplace chamber. A monoplace chamber is designed

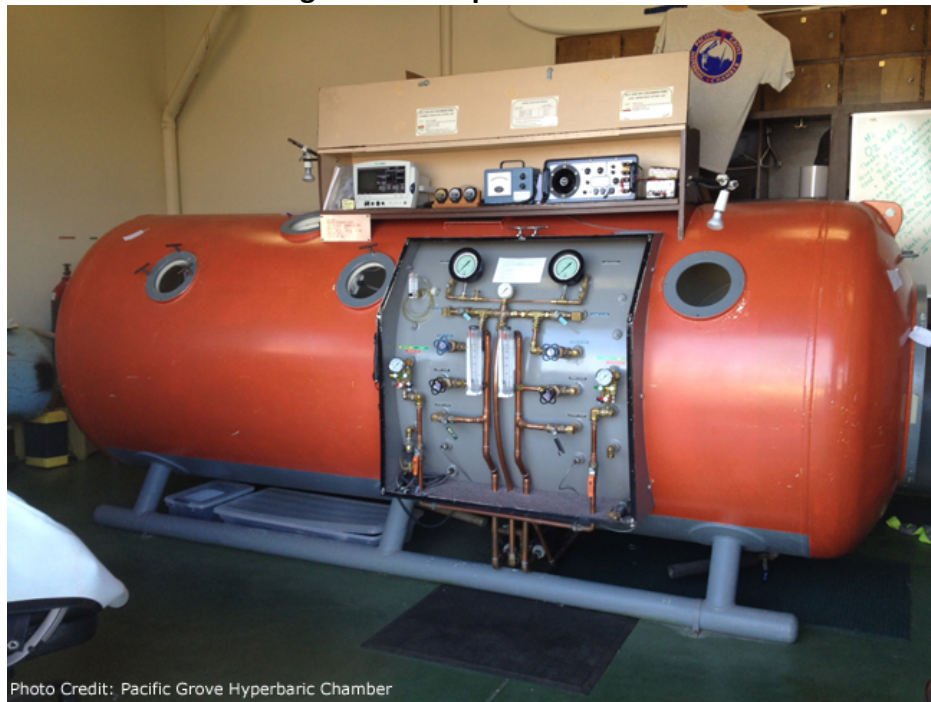
¹ Office of Evaluation and Inspections, *Hyperbaric Oxygen Therapy: Its Use and Appropriateness* (OEI-06-99-00090), October 2000. Available online at <https://oig.hhs.gov/oei/reports/oei-06-99-00090.pdf>.

² The CMS contractor reviewed a random sample of 2,000 claims containing HBO therapy services with dates of service from April 1, 2012, through March 31, 2013.

³ OIG is performing another audit of Medicare payments for HBO therapy services made by another MAC.

for a single patient. The entire chamber fills with oxygen during the treatment. A multiplace chamber is designed for several patients to receive treatment at the same time. In a multiplace chamber (Figure 1), patients receive oxygen through facemasks or hoods placed on their heads. Risks associated with HBO therapy include barotrauma to the ears due to changes in pressure, lung collapse, changes in vision, oxygen poisoning, and claustrophobia.

Figure 1: Multiplace Chamber



Source: National Oceanic and Atmospheric Administration and the Monterey Bay National Marine Sanctuary (<https://montereybay.noaa.gov/new/2013/hyperbaric.html>).

Medicare Coverage of Hyperbaric Oxygen Therapy

Medicare Part B covers hospital outpatient services including HBO therapy. CMS administers the Medicare program. CMS issues National Coverage Determinations (NCDs) that indicate whether a particular service is covered under Title XVIII of the Social Security Act (the Act) § 1869(f)(1)(B). NCD 20.29 allows Medicare coverage for HBO therapy.

NCD 20.29 states, “For purposes of coverage under Medicare, HBO therapy is a modality in which the entire body is exposed to oxygen under increased atmospheric pressure.” Medicare reimbursement for HBO therapy is limited to that administered in a chamber and only for 15 conditions, including diabetic wounds of the lower extremities and chronic refractory osteomyelitis (chronic bone infections). (See Appendix B for a complete list of covered conditions.)

For diabetic wounds of the lower extremities to be covered by Medicare, documentation in the patient's records must support that the patient has (1) type I or type II diabetes and has a lower extremity wound that is due to diabetes, (2) a wound classified as Wagner grade III or higher,⁴ and (3) failed an adequate course of standard wound therapy. HBO therapy is covered as adjunctive therapy for diabetic wounds of lower extremities only after there are no measurable signs of healing for at least 30 days of treatment with standard wound therapy and must be used in addition to standard wound care (NCD 20.29). The documentation for patients with chronic refractory osteomyelitis must support that the condition was unresponsive to both conventional medical and surgical management.

Medicare Requirements for Outpatient Claims and Payments

Medicare payments may not be made for items and services that are not "reasonable and necessary for the diagnosis or treatment of illness or injury or to improve the functioning of a malformed body member" (the Act § 1862(a)(1)(A)). In addition, the Act precludes payment to any provider of services or other person unless there has been furnished such information as may be necessary to determine the amounts due such provider or other person (section 1833(e)). During calendar years (CYs) 2013 and 2014 (audit period), hospitals billed Medicare for outpatient HBO therapy services using Healthcare Common Procedure Coding System (HCPCS) code C1300, hyperbaric oxygen under pressure, full body chamber, one unit for each 30-minute interval.⁵

Wisconsin Physicians Service Government Health Administrators

A MAC is a private health care insurer to which CMS has awarded a geographic jurisdiction to process Medicare Part A and Part B medical claims for Medicare fee-for-service beneficiaries. WPS is the MAC for Jurisdiction 5 and processes Parts A and B claims for Iowa, Kansas, Missouri, and Nebraska.⁶ WPS is also responsible for Jurisdiction 8, which includes Parts A and B for Indiana and Michigan. We limited our review to WPS Jurisdiction 5.

⁴ The Wagner grading system is a commonly used measurement system for diabetic foot ulcers. There are grades I through V, with grade V wounds being the most severe. Wagner grade III wounds are lesions that have penetrated to tendon, bone, or joint and there is an abscess, osteomyelitis, pyarthrosis (infectious arthritis), plantar space abscess, or infection of the tendon and tendon sheaths.

⁵ Effective January 1, 2015, HCPCS code C1300 was discontinued and replaced with HCPCS code G0277, "hyperbaric oxygen under pressure, full body chamber, per 30 minute interval."

⁶ WPS also processes Part A claims for providers in other States as part of its Jurisdiction 5 workload. These providers are known as Jurisdiction 5 national providers. We included these providers in our review.

HOW WE CONDUCTED THIS REVIEW

Our review covered 44,940 outpatient claims totaling \$59,455,573 for 208 providers in Jurisdiction 5 that had scheduled payment dates during CYs 2013 and 2014 and contained HBO therapy services provided to Medicare beneficiaries during CYs 2012 through 2014.⁷ We selected a stratified random sample of 120 of these claims. Our medical review contractor subsequently reviewed the medical records associated with the sampled claims for compliance with Medicare requirements.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix A contains the details of our audit scope and methodology, Appendix C contains our statistical sampling methodology, and Appendix D contains our sample results and estimates.

FINDINGS

WPS paid 73 providers for HBO therapy services that did not comply with Medicare requirements. Of the 120 sampled outpatient claims totaling \$438,210,⁸ WPS made payments for HBO therapy in accordance with Medicare requirements for 18 claims. However, WPS made payments for HBO therapy that did not comply with Medicare requirements for 102 claims, resulting in overpayments totaling \$300,789.⁹

WPS made payments for HBO therapy that did not always comply with Medicare requirements because it had limited policies and procedures in place to ensure it made correct payments. During the audit period, WPS did not have automated prepayment edits in its claim processing system to monitor HBO therapy coverage. Additionally, WPS did not have billing or coding guidelines other than NCD 20.29 for providers to follow. Based on our sample results, we estimated that WPS overpaid providers in Jurisdiction 5 \$42,630,125 during the audit period for HBO therapy that did not comply with Medicare requirements.

⁷ These outpatient claims contained services and items other than HBO therapy services. We limited our review to the HBO therapy services.

⁸ The total paid amount for the 120 sampled outpatient claims includes payment for all services and items on the claim.

⁹ The overpayment amounts in the findings do not sum to the overall total because of rounding.

PAYMENTS FOR HYPERBARIC OXYGEN THERAPY THAT WAS NOT MEDICALLY NECESSARY

Medicare payments may not be made for items and services that are not “reasonable and necessary for the diagnosis or treatment of illness or injury or to improve the functioning of a malformed body member” (the Act § 1862(a)(1)(A)). In addition, the Act precludes payment to any provider of services or other person without information necessary to determine the amount due the provider (§ 1833(e)).

For 100 of 120 sampled outpatient claims, WPS paid providers for HBO therapy services that were not medically reasonable or necessary, resulting in overpayments totaling \$300,062.¹⁰ Specifically, the medical records submitted for review did not support that the HBO therapy provided met the requirements in NCD 20.29. We determined that the medical records did not always support that HBO therapy was provided as treatment for a covered condition. Additionally, the medical records did not always support that HBO therapy was provided only after standard or conventional treatment failed.

A Representative Example of a Medicare Payment for Hyperbaric Oxygen Therapy That Was Not Medically Necessary

Jane Doe is a Medicare beneficiary who started receiving HBO therapy on June 16, 2014, for a diabetic foot ulcer. Ms. Doe received 19 sessions of HBO therapy during July 2014. The hospital provider billed for these sessions and was paid \$7,236 by WPS. However, the medical reviewers found that the HBO therapy was not reasonable and necessary for the diagnosis or treatment of illness or injury or to improve the functioning of a malformed body member. Specifically, the records did not clearly support that the patient’s foot ulcer was due to diabetes. In addition, the records documented that the patient had lower extremity vascular insufficiency. There was no evidence that this vascular insufficiency was treated. Wounds that are due to chronic vascular insufficiency are not eligible for HBO therapy. Furthermore, the wound consistently was noted in the medical record as being Wagner grade I.¹¹ To be eligible for HBO therapy, diabetic wounds must be Wagner grade III or higher. Therefore, the HBO therapy did not meet Medicare requirements. As a result, WPS overpaid the provider \$7,236.

¹⁰ If the medical reviewers determined that the HBO therapy billed was not medically reasonable or necessary, they did not review the claim to determine whether the service was coded and billed correctly.

¹¹ Wagner grade I wounds are superficial ulcers without penetration to deeper layers.

PAYMENTS FOR HYPERBARIC OXYGEN THERAPY THAT WAS NOT BILLED CORRECTLY

The Act precludes payment to any provider of services or other person unless there has been furnished such information as may be necessary to determine the amounts due such provider or other person (section 1833(e)). During the audit period, hospitals billed Medicare for outpatient HBO therapy services using HCPCS code C1300, hyperbaric oxygen under pressure, full body chamber, one unit for each 30-minute interval.

For 2 of 120 sampled outpatient claims, WPS made payments for HBO therapy that was not billed correctly because either the provider billed the incorrect number of units or the documentation did not support that HBO therapy was provided on the dates of service billed, resulting in overpayments totaling \$726.

A Representative Example of a Medicare Payment for Hyperbaric Oxygen Therapy That Was Billed Incorrectly

John Doe is a Medicare beneficiary who underwent 27 HBO therapy sessions as of August 19, 2014, for treatment of Wagner grade III diabetic foot ulcers, which is a covered condition. The hospital provider billed four units (120 minutes) of HBO therapy (HCPCS code C1300) for one of the sessions and was paid \$325 by WPS. However, the HBO treatment record indicated that the total treatment time was 89 minutes. (The patient experienced cramping, and decompression was started early.) Therefore, only three units (90 minutes) of HBO therapy should have been billed rather than four units. As a result, WPS overpaid the provider approximately \$81 (\$325/four units) for one unit of HBO therapy.

CAUSES OF IMPROPER PAYMENTS FOR HYPERBARIC OXYGEN THERAPY

WPS made payments for HBO therapy that did not always comply with Medicare requirements because it had limited policies and procedures in place to ensure it made correct payments. During the audit period, WPS did not have automated prepayment edits in its claim processing system to monitor HBO therapy coverage. Additionally, WPS did not have billing or coding guidelines other than NCD 20.29 for providers to follow. As a result, we estimated that WPS overpaid providers in Jurisdiction 5 \$42,630,125 during the audit period for HBO therapy that did not comply with Medicare requirements. Furthermore, Medicare beneficiaries may have received excessive or inappropriate treatments that were potentially ineffective, exposing them to unnecessary risks and discomfort.

RECOMMENDATIONS

We recommend that WPS:

- recover the portion of the \$300,789 in identified Medicare overpayments from the 73 providers for the 102 incorrectly billed claims that are within the 4-year reopening period in accordance with the 60-day rule;
- notify the 208 providers responsible for the remaining 44,820 nonsampled claims, with potential overpayments estimated at \$42.3 million, so that those providers can investigate and return any identified overpayments in accordance with the 60-day rule and track any returned overpayments;
- identify and recover any improper payments for HBO therapy services made after the audit period; and
- strengthen its policies and procedures for making payments for HBO therapy, including developing automated prepayment edits in the claim processing system, which would result in millions in future cost savings.

WISCONSIN PHYSICIANS SERVICE GOVERNMENT HEALTH ADMINISTRATORS COMMENTS

In written comments on our draft report, WPS agreed to implement our first and second recommendations. Regarding our third recommendation, WPS outlined the actions that CMS and WPS have taken to address the potential overuse of HBO therapy, a concern identified by CMS in 2014. WPS stated that CMS established a “Non-Emergent Hyperbaric Oxygen Therapy Prior Authorization” demonstration program in three States. In 2015, WPS initiated the demonstration program in Michigan. WPS stated that because of issues identified within the prior authorization program, it conducted further data analysis to identify providers and diagnosis codes at risk for overutilization. Providers were selected for additional review. WPS also stated that it offered teleconferences to educate providers on the proper use of HBO therapy. Regarding our fourth recommendation, WPS stated that the overuse of HBO therapy is a concern affecting all MACs. As a result, HBO therapy was referred to the Fraud Prevention System contactor to develop automated edits for all MACs to utilize. A new edit was installed in the Fiscal Intermediary Standard System.

WPS’s comments are included in their entirety as Appendix E.

APPENDIX A: AUDIT SCOPE AND METHODOLOGY

SCOPE

Our review covered 44,940 outpatient claims totaling \$59,455,573 that had scheduled claim payment dates during CYs 2013 and 2014 and contained services for HBO therapy provided to beneficiaries during CYs 2012 through 2014. We limited our review to outpatient claims that contained HBO therapy services paid to Jurisdiction 5 providers.

We limited our review of internal controls to gaining an understanding of the policies and procedures WPS had in place during our audit period for reimbursing providers for HBO therapy services.

METHODOLOGY

To accomplish our objective, we:

- reviewed applicable Federal laws, regulations, and guidance;
- held discussions with CMS officials to gain an understanding of the Medicare requirements for HBO therapy;
- extracted outpatient claims that contained HBO therapy services from CMS's National Claims History file for CYs 2012 through 2014;
- identified a sampling frame of 44,940 outpatient claims that had scheduled claim payment dates during CYs 2013 and 2014 and also contained HBO therapy services provided to beneficiaries during CYs 2012 through 2014 totaling \$59,455,573;
- selected a stratified random sample of 120 outpatient claims that contained HBO therapy services.
- obtained the medical records from the providers associated with our sample of 120 claims;
- used an independent medical review contractor to determine whether the HBO therapy contained in the 120 sampled outpatient claims met Medicare requirements as billed;
- identified the portion of the total claim payments for the sampled outpatient claims that was overpaid by WPS for HBO therapy services that did not meet Medicare requirements; and
- discussed the results of our review with WPS officials.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

APPENDIX B: MEDICARE COVERAGE OF HYPERBARIC OXYGEN THERAPY

Medicare reimbursement for HBO therapy is limited to that administered in a chamber (including a one-person unit) and only for the following conditions:¹²

- acute carbon monoxide intoxication (acute carbon monoxide poisoning);
- decompression illness (bubbles in blood or tissue caused by rapid decrease in atmospheric pressure);
- gas embolism (gas bubbles in the blood that obstruct circulation);
- gas gangrene (rapidly progressing tissue death resulting from a bacterial infection);
- acute traumatic peripheral ischemia (caused by an injury that blocks blood flow to an extremity);
- crush injuries and suturing of severed limbs;
- progressive necrotizing infections (necrotizing fasciitis) (serious infections of tissue);
- acute peripheral arterial insufficiency (lack of oxygen and nutrients to tissue);
- preparation and preservation of compromised skin grafts (failing skin graft caused by insufficient oxygen supply to tissue);
- chronic refractory osteomyelitis (chronic bone infections) unresponsive to conventional medical and surgical management;
- osteoradionecrosis (bone death from radiation therapy);
- soft tissue radionecrosis (soft tissue death);
- cyanide poisoning;
- actinomycosis (infection of soft tissue), only as an adjunct to conventional therapy when the disease is refractory to antibiotics and surgical treatment; and

¹² NCD 20.29.

- diabetic wounds of the lower extremities (sores or ulcers on legs and feet caused by diabetes) in patients who meet the following three criteria:
 - patient has type I or type II diabetes and has a lower extremity wound that is due to diabetes,
 - patient has a wound classified as Wagner grade III or higher, and
 - patient has failed an adequate course of standard wound therapy.

APPENDIX C: STATISTICAL SAMPLING METHODOLOGY

POPULATION

The population consisted of Medicare outpatient claims that were paid by WPS to Jurisdiction 5 providers, had scheduled payment dates during CYs 2013 and 2014, and contained HBO therapy services provided to beneficiaries during CYs 2012 through 2014.

SAMPLING FRAME

We obtained databases of Medicare outpatient claims that contained services for HBO therapy provided to beneficiaries during CYs 2012 through 2014 and that had scheduled claim payment dates during CYs 2013 and 2014. We determined that WPS processed 72,346 outpatient claims for HBO therapy services with a total paid amount of \$82.41 million. We then removed the following WPS claims:

- 1,298 claims where the total payment amount for HCPCS code C1300 per claim was \$0;
- 640 claims where the claim payment amount was \$0, or Medicare was not the primary payer;
- 139 claims that matched claim data in the recovery audit contractor data warehouse;
- 25,062 claims processed by WPS for Jurisdiction 8; and
- 267 claims where the claim payment amount was less than \$200.

The resulting sampling frame contained 44,940 outpatient claims with a total claim paid amount of \$59,455,573.

SAMPLE UNIT

The sample unit was an outpatient claim.

SAMPLE DESIGN AND SAMPLE SIZE

We used a stratified random sample as follows.

Table 1: Sample Design

Stratum	Claim Payment Range	Number of HBO Therapy Claims	Sample Size	Dollar Value of Claim Payments
1	>= \$200 and < \$773	32,324	30	\$11,835,966
2	>= \$773 and < \$3,065	6,067	30	10,210,854
3	>= \$3,065 and < \$6,503	4,677	30	22,092,517
4	>= \$6,503	1,872	30	15,316,235
Totals		44,940	120	\$59,455,573*

* Stratum values do not sum to the overall total because of rounding.

SOURCE OF RANDOM NUMBERS

We generated the random numbers using the OIG, Office of Audit Services (OAS), statistical software.

METHOD FOR SELECTING SAMPLE ITEMS

We consecutively numbered the sample units in the sampling frame for each stratum. After generating 120 random numbers (30 per stratum), we selected the corresponding frame items.

ESTIMATION METHODOLOGY

We used the OIG/OAS statistical software to estimate the dollar amount of the improper Medicare payments for HBO therapy services paid on outpatient claims to providers in CYs 2013 and 2014. We also used the software to estimate the corresponding lower and upper limits of the two-sided 90-percent confidence interval.

APPENDIX D: SAMPLE RESULTS AND ESTIMATES

Table 2: Sample Results by Strata

Stratum	Frame Size (Claims)	Value of Frame	Sample Size	Value of Sample	Number of Errors in Sample	Value of Overpayments in Sample
1	32,324	\$11,835,966	30	\$11,045	28	\$9,218
2	6,067	10,210,854	30	55,632	23	40,248
3	4,677	22,092,517	30	141,459	23	94,933
4	1,872	15,316,235	30	230,075	28	156,390
Total	44,940	\$59,455,573*	120	\$438,210*	102	\$300,789

*Stratum values do not sum to the overall total because of rounding.

ESTIMATES

**Table 3: Estimated Value of Cost Savings
(Limits calculated for a 90-percent confidence interval)**

Point estimate	\$42,630,125
Lower limit	38,861,728
Upper limit	46,398,522

December 28, 2017

Mr. David Lamir
 Regional Inspector General for Audit Services
 Office of Audit Services, Region I
 JFK Federal Building
 15 New Sudbury Street, Room 2425
 Boston, MA 02203

RE: Office of Inspector General (OIG) Draft Report- A-01-15-00515

Dear Mr. Lamir,

This letter is in response to the OIG draft report titled *Wisconsin Physicians Service Paid Providers for Hyperbaric Oxygen Therapy Services That Did Not Comply With Medicare Requirements*.

Your report included the following:

Our objective was to determine whether WPS paid providers in 2013 and 2014 for HBO therapy services that complied with Medicare requirements.

Our review covered 44,940 outpatient claims totaling \$59,455,573 for 208 providers in Jurisdiction 5 that had scheduled payment dates during CYs 2013 and 2014 and contained HBO therapy services provided to Medicare beneficiaries during CYs 2012 through 2014. We selected a stratified random sample of 120 of these claims. Our medical review contractor subsequently reviewed the medical records associated with the sampled claims for compliance with Medicare requirements.

WPS paid 73 providers for HBO therapy services that did not comply with Medicare requirements. Of the 120 sampled outpatient claims totaling \$438,210, WPS made payments for HBO therapy in accordance with Medicare requirements for 18 claims. However, WPS made payments for HBO therapy that did not comply with Medicare requirements for 102 claims, resulting in overpayments totaling \$300,789.

OIG Recommendations to WPS and WPS responses to Recommendations:

- *recover the portion of the \$300,789 in identified Medicare overpayments from the 73 providers for the 102 incorrectly billed claims that are within the 4-year reopening period in accordance with the 60 day rule;*
- *notify the 208 providers responsible for the remaining 44,820 nonsampled claims, with potential overpayments estimated at \$42.3 million, so that those providers can*

investigate and return any identified overpayments in accordance with the 60-day rule and track any returned overpayments;

- *identify and recover any improper payments for HBO therapy services made after the audit period; and*
- *strengthen its policies and procedures for making payments for HBO therapy, including developing automated prepayment edits in the claim processing system, which would result in millions in future cost savings.*

WPS Response to the OIG Recommendations:

- *recover the portion of the \$300,789 in identified Medicare overpayments from the 73 providers for the 102 incorrectly billed claims that are within the 4-year reopening period in accordance with the 60 day rule;*

WPS Response:

WPS will recover the \$300,789 in overpayments identified from the 73 providers for the 102 incorrectly billed claims that are within the 4-year reopening period in accordance with the 60 day rule.

- *notify the 208 providers responsible for the remaining 44,820 nonsampled claims, with potential overpayments estimated at \$42.3 million, so that those providers can investigate and return any identified overpayments in accordance with the 60-day rule and track any returned overpayments;*

WPS Response:

WPS will notify the 208 providers to investigate and return any identified overpayments in accordance with the 60-day rule and will track any returned overpayments.

- *identify and recover any improper payments for HBO therapy services made after the audit period;*

WPS Response:

Potential overutilization of Hyperbaric Oxygen Therapy (HBO-T) services was identified by CMS in 2014. To validate the concern and correct the overuse, CMS established a Non-Emergent Hyperbaric Oxygen Therapy Prior Authorization demonstration program in three states. WPS was the first MAC to go live with the program in the state of Michigan in March 2015. This program remains in place through February of 2018. Based on issues WPS identified within the prior authorization program, we conducted our own internal data analysis.

WPS identified providers and diagnosis codes at risk for overutilization. Probes were conducted in both WPS jurisdictions in 2016 and 2017. Providers performing poorly in probes were selected for additional review using the current Targeted Probe and Educate process mandated by CMS. In addition to reviews, WPS has offered teleconferences to providers to educate them on the proper use of HBO therapy services.

- *strengthen its policies and procedures for making payments for HBO therapy, including developing automated prepayment edits in the claim processing system, which would result in millions in future cost savings.*

WPS Response:

Overutilization is identified as a global concern affecting all MACs rather than an issue unique to WPS. For this reason, the service was referred to the Fraud Prevention System (FPS) contractor to develop automated edits for all MACs to utilize. Edit FPS10 was installed in the FISS system with Change Request (CR) 9019 and CR 9580.

If you have any questions or need additional information, please contact me at 402-995-0443.

Sincerely,

Mark DeFoil
Director, Contract Administration

CC: Ronda Jones, CMS
Wanda Jones, CMS
Robert Bernal, CMS
James Massa, CMS