

Department of Health and Human Services

**OFFICE OF  
INSPECTOR GENERAL**

**PROSTHETIC SCIENCE  
SAN ANTONIO, INC.,  
GENERALLY MET MEDICARE  
DOCUMENTATION  
REQUIREMENTS FOR  
LOWER LIMB PROSTHETIC  
CLAIMS**

*Inquiries about this report may be addressed to the Office of Public Affairs at  
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**Patricia Wheeler  
Regional Inspector General  
for Audit Services**

**February 2015  
A-06-14-00034**

# *Office of Inspector General*

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The mission of the Office of Inspector General (OIG), as mandated by Public Law 95-452, as amended, is to protect the integrity of the Department of Health and Human Services (HHS) programs, as well as the health and welfare of beneficiaries served by those programs. This statutory mission is carried out through a nationwide network of audits, investigations, and inspections conducted by the following operating components:

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# *Notices*

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## **OFFICE OF AUDIT SERVICES FINDINGS AND OPINIONS**

The designation of financial or management practices as questionable, a recommendation for the disallowance of costs incurred or claimed, and any other conclusions and recommendations in this report represent the findings and opinions of OAS. Authorized officials of the HHS operating divisions will make final determination on these matters.

***Prosthetic Science San Antonio, Inc., received \$25,125 in inappropriate Medicare payments for lower limb prostheses during the period January 1, 2012, through June 30, 2013.***

## INTRODUCTION

### WHY WE DID THIS REVIEW

Previous Office of Inspector General (OIG) reviews found that lower limb prosthetic claims did not always meet Medicare Part B (Part B) coverage requirements.<sup>1</sup> Prosthetic Science San Antonio, Inc. (Prosthetic Science), a durable medical equipment (DME) supplier in San Antonio, Texas, received a high amount of Medicare payments for lower limb prosthetic claims.

### OBJECTIVE

Our objective was to determine whether Medicare payments to Prosthetic Science for lower limb prosthetic services were appropriate.

### BACKGROUND

#### Medicare Coverage of Durable Medical Equipment

Title XVIII of the Social Security Act (the Act) established Part B, which provides supplementary insurance for medical and other health services. Part B pays for DME, which includes prosthetics.<sup>2</sup> A lower limb prosthetic is an artificial replacement for any or all parts of the leg and provides an individual who has an amputated limb with the opportunity to perform functional tasks, particularly walking, which may not be possible without the device.

The Centers for Medicare & Medicaid Services (CMS) administers the Medicare program and contracts with four DME Medicare administrative contractors (MACs) to process and pay DME claims. When submitting claims to DME MACs, suppliers use Healthcare Common Procedure Coding System (HCPCS) codes.<sup>3</sup> Each claim may have multiple lines of service, each of which represents a different component of the lower limb prosthesis provided by the supplier. Each line of service is billed using an HCPCS code, which may require a modifier code to indicate such things as left or right limb and functional level. Chapter 5 of the *CMS Medicare Program Integrity Manual* (Medicare Manual) identifies requirements that suppliers must meet to receive payment for lower limb prosthetic claims.<sup>4</sup>

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<sup>1</sup> See Appendix A for a list of previous OIG reviews on lower limb prosthetics.

<sup>2</sup> The Act, §§ 1832(a)(1) and 1861(s)(6)(8)(9).

<sup>3</sup> HCPCS is a medical code set used throughout the health care industry as a standardized system for describing and identifying health care procedures, equipment, and supplies in health care transactions.

<sup>4</sup> CMS Pub. No.100-08.

## **Prosthetic Science San Antonio**

Prosthetic Science is a DME supplier in San Antonio, Texas, that supplies lower limb prostheses to Medicare beneficiaries.

### **HOW WE CONDUCTED THIS REVIEW**

We reviewed 166 lower limb prosthetic claims totaling \$1,785,355 in Part B payments received by Prosthetic Science for claim dates during the period January 1, 2012, through June 30, 2013. We examined documentation that Prosthetic Science maintained to determine whether it met the requirements set forth in the Medicare Manual. We did not conduct a medical review to determine whether the services were medically necessary.

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 contains the details of our audit scope and methodology.

### **FINDING**

Chapter 5 of the Medicare Manual identifies requirements that suppliers must meet to receive payment for lower limb prosthetic claims. Section 5.8 requires suppliers to maintain supporting documentation for claims, including a physician order requesting a prosthesis and a detailed written order that identifies every HCPCS code for each component subsequently provided to the beneficiary and billed to Medicare.

Prosthetic Science inappropriately received \$25,125 in Medicare payments for lower limb prosthetic claims for the following reasons:

- one claim was not supported by any documentation,
- two claims were not supported by a physician order, and
- seven HCPCS codes were not included on detailed written orders.

Prosthetic Science officials attributed these problems to human error.

### **RECOMMENDATION**

We recommend that Prosthetic Science refund \$25,125 to the Federal Government.

## **PROSTHETIC SCIENCE SAN ANTONIO, INC., COMMENTS**

In written comments on our draft report, Prosthetic Science concurred with our finding and recommendation. Prosthetic Science's comments are included in their entirety as Appendix C.

**APPENDIX A: RELATED OFFICE OF INSPECTOR GENERAL REPORTS:  
LOWER LIMB PROSTHESES**

<b>Report Title</b>	<b>Report Number</b>	<b>Date Issued</b>
<i>Tyler Prosthetics, Inc., Generally Met Medicare Documentation Requirements for Lower Limb Prosthetic Claims</i>	<a href="#"><u>A-06-13-00049</u></a>	8/19/2014
<i>Durable Medical Equipment Claims Paid by Noridian Healthcare Solutions, LLC, Did Not Always Meet the Requirements of the Local Coverage Determination for Lower Limb Prostheses</i>	<a href="#"><u>A-07-12-05035</u></a>	8/16/2013
<i>Durable Medical Equipment Claims Paid by National Heritage Insurance Company, Inc., Did Not Always Meet the Requirements of the Local Coverage Determination for Lower Limb Prostheses</i>	<a href="#"><u>A-07-13-05040</u></a>	8/09/2013
<i>CGS Administrators, LLC, Paid Unallowable Lower Limb Prosthetics Claims</i>	<a href="#"><u>A-06-12-00055</u></a>	7/12/2013
<i>Lower Limb Prosthetics Claims Paid to Ozark Prosthetics and Orthotics Were Not Always Supported by Adequate Documentation</i>	<a href="#"><u>A-07-12-05029</u></a>	4/01/2013
<i>Questionable Billing by Suppliers of Lower Limb Prostheses</i>	<a href="#"><u>OEI-02-10-00170</u></a>	8/17/2011

## **APPENDIX B: AUDIT SCOPE AND METHODOLOGY**

### **SCOPE**

We reviewed 166 lower limb prosthetic claims totaling \$1,785,355 in Part B payments received by Prosthetic Science for claim dates during the period January 1, 2012, through June 30, 2013. We examined documentation that Prosthetic Science maintained to determine whether it met the requirements set forth in the Medicare Manual. We did not conduct a medical review to determine whether the services were medically necessary.

Our objective did not require a review of the overall internal control structure of Prosthetic Science. Therefore, we limited our internal control review to Prosthetic Science's procedures related to lower limb prosthetic claims. Our review allowed us to establish reasonable assurance of the authenticity and accuracy of the data obtained from CMS's National Claims History file, but we did not assess the completeness of the file.

We conducted our fieldwork at Prosthetic Science's office in San Antonio, Texas, in August 2014.

### **METHODOLOGY**

To accomplish our objective, we:

- reviewed applicable Federal laws, regulations, and CMS manuals;
- discussed with Prosthetic Science officials their knowledge of Federal requirements and claims documentation;
- used CMS's National Claims History file to identify Medicare Part B lower limb prosthetic claims paid to Prosthetic Science with dates of service from January 1, 2012, through June 30, 2013;
- analyzed the documentation on file at Prosthetic Science for the paid lower limb prosthetic claims; and
- discussed our results with Prosthetic Science.

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 C: PROSTHETIC SCIENCE SAN ANTONIO, INC., COMMENTS**

**PROSTHETIC SCIENCE SAN ANTONIO, INC.**

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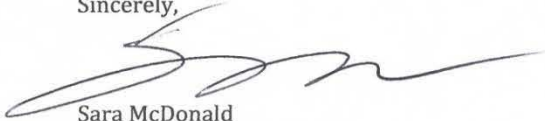
Date: 12-29-2014

Report Number: A-06-14-00034

Dear Office of Inspector General,

During your review of the lower limb prosthetic claims there were some findings of improperly billed claims, after examining these claims we came to an agreeable conclusion with your findings. We accept the recommended refund amount to the Federal Government. Don't hesitate to contact me with any questions or concerns.

Sincerely,



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