

## Report in Brief

Date: July 2022

Report No. A-03-20-00002

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



### Why OIG Did This Audit

Medicare paid approximately \$2.4 billion for critical care services provided to Medicare beneficiaries nationwide from January 1, 2017, through March 31, 2019 (audit period). The 2018 Medicare improper payment error rate for critical care services was 19.7 percent, or about \$198 million. Using computer matching, data mining, and data analysis techniques, we identified Lahey Clinic, Inc. as a provider that was at risk for noncompliance with Medicare billing requirements for critical care services.

Our objective was to determine whether Lahey complied with Medicare requirements when billing for critical care services performed by its physicians.

### How OIG Did This Audit

Medicare Part B paid \$5.3 million to Lahey for 30,738 critical care services provided during 5,109 inpatient admissions in our audit period. We selected a stratified random sample of 100 inpatient admissions that included 1,410 critical care services totaling \$233,797. We submitted the medical records for 10 judgmentally selected inpatient admissions to an independent medical review contractor. The 10 selected admissions included 92 critical care services totaling \$14,966.

## Medicare Critical Care Services Provider Compliance Audit: Lahey Clinic, Inc.

### What OIG Found

Lahey complied with Medicare billing requirements for 36 of the 92 critical care services that we reviewed. However, Lahey did not comply with Medicare billing requirements for the remaining 56 critical care services. All 10 of the inpatient admissions reviewed included at least 1 critical care service that did not comply with Medicare billing requirements. Specifically, Lahey billed for 54 critical care services for patients whose conditions did not indicate that the critical care services were medically necessary or for which the physician did not directly provide services that were at the level of care required for critical care services. In addition, Lahey billed for two critical care services that were billed using an incorrect Current Procedural Terminology code for the critical care service provided.

These billing errors resulted in Lahey receiving \$6,015 in unallowable Medicare payments. These errors occurred because Lahey did not have adequate policies and procedures to ensure that: (1) physicians correctly documented in the patient's medical record and identified critical care services that met Medicare requirements and (2) coders made correct determinations for critical care services that met Medicare requirements.

### What OIG Recommends and Lahey Comments

We recommend that Lahey refund to the Medicare administrative contractor \$6,015 in overpayments for critical care services, and we also made procedural recommendations for Lahey to strengthen its policies and procedures. The full recommendations are in the report.

In written comments on our draft report, Lahey indicated partial concurrence with our first recommendation and full concurrence with our procedural recommendations. Lahey concurred with our results for 16 of the 56 critical care services, agreed that \$1,461 should be refunded, and stated that it addressed or is in the process of addressing the procedural recommendations. Lahey did not concur with the remaining 40 critical care services. After review and consideration of Lahey's comments, and because Lahey did not provide any additional medical record documentation to support its rebuttal of these 40 services, we maintain that our original findings remain valid.

We commend Lahey for the actions it has taken and plans to take to address the procedural recommendations to strengthen its policies and procedures.