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Understanding the OIG Report on Questionable Billing

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HEADLINES

"Fraudulent ambulance rides: Medicare paid more than $50 million, IG says"

-- Washington Post

"Medicare Pays Millions in Ambulance Overbilling, Report Says"

-- NY Times

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BACKGROUND

- On September 29, 2015, the OIG released the following report (OEI-09-12-00351):

"Inappropriate Payments and Questionable Billing for Medicare Part B Ambulance Transports"

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METHODOLOGY

- OIG analyzed claims data for 7.3 million ground ambulance transports during the first half of CY 2012
  - $2.9 billion in total Medicare payments
  - 2.9 million Medicare beneficiaries
  - 15,614 unique ambulance suppliers

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KEY FINDINGS

- Medicare paid $24.2 million for ambulance transports that did not meet certain program requirements to justify payment
  - $17 million for transports to or from non-covered destinations
- Medicare paid $30.2 million for transports where the beneficiary did not receive Medicare services at either the origin or destination (or any other Medicare provider)

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KEY FINDINGS

- 21% of ambulance suppliers tested "positive" for at least one of the 7 "questionable billing" practices the OIG examined
  - ~ 4% tested positive for 2 or more questionable billing practices
  - ~ 1% tested "positive" for 3 or 4 questionable billing practices

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7 Questionable Billing Practices

1. No Medicare Services Provided at Origin or Destination
2. Excessive Mileage for Urban Transports
3. High Number of Transports per Beneficiary
4. Use of Compromised Beneficiary ID Numbers
5. Inappropriate or Unlikely Transport Level
6. Beneficiary Sharing
7. Transports to/from Partial Hospitalization Programs

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Table 4: Questionable Billing Among Ambulance Suppliers, First Half of 2012

Measure of Questionable Billing	Median Among All Suppliers	Suppliers That Had Questionable Billing	
		Threshold	Number of Suppliers
No Medicare Service at the Origin or Destination	0 transports	3%	2,038
Excessive Mileage for Urban Transports	10 miles	34 miles	642
High Number of Transports per Beneficiary[1]	4 transports	21 transports	533
Compromised Beneficiary Number	1%	7%	358
Inappropriate or Unlikely Transport Level	<1%	3%	268
Beneficiary Sharing[1, 2]	1.2 suppliers	2.3 suppliers	168
Transports to or From PHPs	0 transports	<<1%[3]	127

Note: We identified suppliers that had questionable billing and calculated median levels for each measure among all suppliers to which the measures applied. For example, the measure "excessive mileage for urban transports" applies to suppliers with urban transports. Appendix B provides a detailed description of how each measure was calculated.

[1] Among suppliers that provide dialysis-related transports.

[2] As represented by the number of suppliers per beneficiary.

[3] "<<1" means that the number would round to 0, but is above 0.

Source: OIG analysis of Part B data for Medicare ambulance services, 2013.

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TRANSPORTS THAT DID NOT MEET MEDICARE PAYMENT REQUIREMENTS

- $24 million identified as not meeting Medicare payment requirements
  - $17.4 million for transports to/from non-covered destinations
  - $7.1 million for transports where the **destination modifier** was inconsistent with the level of service that was billed

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TRANSPORTS TO NON-COVERED DESTINATIONS

Table 2: Ambulance Transports Provided to Beneficiaries Who Received Services at Noncovered Destinations, First Half of 2012

Noncovered Destination	Number of Transports for Which the Beneficiary Received a Service at the Noncovered Destination	Medicare Payments
Physician's office	25,829	$8,724,161
Community mental health center or psychiatric facility	18,097	$5,816,778
Independent laboratory or other diagnostic or therapeutic site	12,019	$4,090,113
Nursing facility (non-SNF) or long-term-care facility	6,220	$1,971,327
Other noncovered destination*	1,779	$641,293
Hospice facility	1,203	$391,012
Total**	**52,421**	**$17,440,431**

* Other noncovered destinations include, for example, rural health centers and federally qualified health centers.
** Column sums exceed totals because some beneficiaries received services at more than one noncovered destination within 1 day of their transport. In these cases, we included the transport in each type of noncovered destination.
Source: OIG analysis of Part B data for ambulance services, 2013.

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"Inappropriate or Unlikely" Transport Level/Destination Combinations

- $4.3 million paid for SCT transports between origin/destinations other than hospitals, SNFs or intercept sites
  - **$2.6 million for SCT between SNF and a free-standing dialysis facility ("J")**
  - **$0.9 million for SCT between residences and free-standing dialysis facilities**

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"Inappropriate or Unlikely" Transport Level/Destination Combinations

- $2.7 million for emergency transports to non-hospital destinations
  - $1.6 million for emergency transports to SNFs
  - $0.7 million for emergency transports to a patient's residence

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No Medicare Services Received

- The OIG flagged suppliers with a "high percentage" of transports for which the beneficiary did not receive Medicare services at either the origin or the destination on the date of service, plus or minus one day
  - To account for the possibility that the supplier incorrectly identified the origin/destination, the OIG indicated that it also looked to see if the beneficiary received services at any other Medicare provider within that time frame

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No Medicare Services Received

- 2,038 ambulance suppliers (13%) tested positive for this measure
  - i.e., 3% of their transports in the first half of CY 2012
- 46 suppliers were identified as having more than 95% of their transports involved situations where the beneficiary did not receive Medicare services at the origin/destination

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No Medicare Services Received

- From the OIG's report:

"Suppliers with questionable billing for this measure may have transported the beneficiary to different destinations than those indicated on the transport claims. If so, these suppliers may be billing for transports to noncovered destinations. Alternatively, the transports may not have occurred and these suppliers may have billed for transports that were not provided"

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EXCESSIVE URBAN MILEAGE

- The OIG flagged suppliers that had a high average mileage for their urban transports
  - The typical ambulance supplier had an average urban transport distance of **10 miles**
  - The OIG flagged suppliers with an average urban transport distance of **34 miles or more**

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EXCESSIVE URBAN MILEAGE

- 642 ambulance suppliers (4%) had average urban transport mileage in excess of 34 miles
- 48 suppliers had an average urban transport mileage in excess of 100 miles

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EXCESSIVE URBAN MILEAGE

- From the OIG's report:

"Suppliers with questionable billing for this measure may not have transported beneficiaries to the nearest appropriate facility, as required, or may have billed for more miles than they actually drove"

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High Number of Transports Per Beneficiary

- The OIG flagged suppliers that had a high number of transports per beneficiary, i.e., large dialysis populations relative to their overall transport population
- The typical dialysis supplier provided an average of 4 transports per beneficiary
  - The OIG flagged 533 suppliers that had an average of 21 transports per beneficiary

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High Number of Transports Per Beneficiary

- From the OIG's report:

"These suppliers may have billed for dialysis-related transports that were medically unnecessary or were not provided"

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Compromised Beneficiary ID Numbers

- The OIG flagged suppliers that had a high percentage of their transports associated with Beneficiary ID numbers that the OIG believes were "compromised"
- The typical supplier that billed for any transports involving the use of compromised ID numbers had it occur less than 1% of the time
  - The OIG identified 358 suppliers that used a compromised ID number on at least **7% of their transports**
  - The OIG identified 31 suppliers that used a compromised ID number on more than **95% of their transports**

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COMPROMISED BENEFICIARY ID NUMBERS

- From the OIG's report:

"Suppliers with questionable billing for this measure may have billed for transports that were medically unnecessary or were not provided. Past OIG investigations have uncovered schemes in which providers have used stolen beneficiary numbers to submit false claims to Medicare."

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BENEFICIARY SHARING

- The OIG flagged suppliers that were associated with beneficiaries who, on average, received dialysis transports from an unusually high number of ambulance suppliers
- The typical dialysis patient received their ambulance services from a single ambulance supplier
  - The OIG identified 168 suppliers that were associated with beneficiaries that received dialysis services from at least 2 ambulance suppliers

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BENEFICIARY SHARING

- From the OIG's report:

"When multiple suppliers bill for dialysis-related transports for the same beneficiary, the suppliers may have fraudulently shared beneficiaries or beneficiaries' identification number with other suppliers. Alternatively, beneficiaries transported by these suppliers may have "shopped" among suppliers to receive kickbacks."

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Partial Hospitalization Programs

- The OIG flagged suppliers that were involved in transporting patients to and from partial hospitalization programs (PHPs)
- The typical ambulance supplier had no transports to/from PHPs
  - The OIG identified 127 suppliers that had transported patients to/from PHPs
  - 59 suppliers had at least 75% of their transports involve PHPs

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Partial Hospitalization Programs

- From the OIG's report:

"Suppliers with questionable billing for this measure may have billed for transports to or from PHPs for beneficiaries who do not qualify to receive the transports. Beneficiaries who meet Medicare coverage requirements for PHPs generally do not meet the requirements for transports. For example, a beneficiary who is being transported because he is a danger to himself would not qualify to receive PHP services."

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Inappropriate Transport Combinations

- The OIG flagged suppliers that had a high percentage of transports involving unlikely or inappropriate transport level/destination combinations
- The typical ambulance supplier had less than 1% of its transports involve these combinations
  - The OIG identified 268 suppliers that had at least 3% of their transports involve these combinations
  - The OIG identified 19 suppliers that had at least 25% of their transports involve these combinations

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Inappropriate Transport Combinations

- From the OIG's report:

"Suppliers with questionable billing for this measure may have billed for more expensive transport levels than they actually provided or for transports that were medically unnecessary."

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Additional Findings

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"NON-EMERGENCY TRANSPORTS"

- Ambulance suppliers flagged as having one or more questionable billing practices tended to provide primarily BLS non-emergency transports
  - 65% of their total transports
- BLS non-emergency transports account for only 36% of transports billed by all other suppliers

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GEOGRAPHIC CONCENTRATION

- The OIG determined that the questionable billing practices it identified were concentrated in 4 metropolitan areas
  - Philadelphia
  - New York
  - Houston
  - Los Angeles

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GEOGRAPHIC CONCENTRATION

Table 5: Questionable Ambulance Transports and All Ambulance Transports That Were Provided to Beneficiaries Who Resided in Four Metropolitan Areas, First Half of 2012

Area	Percentage of National Total		Medicare Payments	
	Questionable Transports	All Transports	Questionable Transports	All Transports
Philadelphia, Pennsylvania	15.2%	3.8%	$27.0 million	$88.1 million
Los Angeles, California	15.2%	4.7%	$32.3 million	$118.6 million
New York, New York	13.4%	7.7%	$26.2 million	$194.6 million
Houston, Texas	8.3%	1.8%	$18.0 million	$46.6 million
Total in All Four Areas	**52.0%**	**18.0%**	**$103.5 million**	**$447.9 million**
All Other Areas	**48.0%**	**82.0%**	**$103.9 million**	**$2,407.6 million**

Notes: Columns may not sum to totals because of rounding. Of the 951 other areas, 133 did not have any questionable transports.
Source: OIG analysis of Part B data for Medicare ambulance services, 2013.

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PHILADELPHIA

- 4% of all ground ambulance transports
- 21% of questionable dialysis transports associated with high number of transports per beneficiary

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Los Angeles

- 5% of all ground ambulance transports
- 45% of questionable transports involving compromised beneficiary ID numbers

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New York City

- 8% of all ground ambulance transports
- 17% of questionable transports for which the beneficiary did not receive Medicare services at either the origin or destination

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HOUSTON

- 2% of all ground ambulance transports
- 97% of questionable transports to or from Partial Hospitalization Programs
- 39% of transports involving compromised ID numbers

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Questionable and All Ambulance Transports That Occurred in 14 Additional Areas, First Half of 2012

Area	Percentage of National Total		Total Medicare Payments	
	Questionable Transports	All Transports	Questionable Transports	All Transports
Atlanta–Sandy Springs–Marietta, Georgia	6.7%	1.8%	$13.1 million	$47.2 million
Chicago–Naperville–Joliet, Illinois–Indiana–Wisconsin	2.6%	3.8%	$4.7 million	$97.8 million
Memphis, Tennessee-Mississippi-Arkansas	1.6%	0.8%	$2.9 million	$18.6 million
Virginia Beach–Norfolk–Newport News, Virginia–North Carolina	1.5%	1.0%	$2.8 million	$23.6 million
Greenville–Mauldin–Easley, South Carolina	1.5%	0.5%	$2.6 million	$12.3 million
Columbia, South Carolina	1.2%	0.5%	$2.2 million	$12.6 million
Macon, Georgia	1.1%	0.2%	$2.2 million	$4.0 million
Miami–Fort Lauderdale–Pompano Beach, Florida	1.0%	1.4%	$2.5 million	$37.8 million
San Juan–Caguas–Guaynabo, Puerto Rico	0.9%	0.2%	$1.6 million	$3.5 million
Florence, South Carolina	0.8%	0.3%	$1.6 million	$6.2 million
Indianapolis–Carmel, Indiana	0.8%	0.6%	$1.5 million	$13.7 million
Cincinnati–Middletown, Ohio–Kentucky–Indiana	0.8%	0.8%	$1.5 million	$21.4 million
Gainesville, Georgia	0.8%	0.1%	$1.5 million	$2.7 million
Flint, Michigan	0.8%	0.3%	$1.3 million	$8.1 million
Subtotal in the 14 Additional Areas	**22.2%**	**12.3%**	**$42.0 million**	**$309.5 million**
Subtotal in the 4 Areas With the Most Questionable Transports	**52.0%**	**18.0%**	**$103.5 million**	**$447.9 million**
Subtotal in Other Areas With Questionable Transports*	**25.8%**	**67.8%**	**$62.0 million**	**$2,035.6 million**
Subtotal in Areas Without Questionable Transports	**--**	**1.8%**	**--**	**$62.5 million**
Total	**100%**	**100%**	**$207.5 million**	**$2,855.5 million**

* Includes transports that did not occur in a Core Based Statistical Area, i.e., transports that occurred in areas with populations of less than 10,000.

Note: Columns may not sum to totals because of rounding.

Source: OIG analysis of Part B data for Medicare ambulance services, 2013.

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OIG Recommendations

- CMS should consider extending temporary moratoria on enrollment to NYC and Los Angeles
- Require ambulance suppliers to include the NPI of the physician on non-emergency claims that otherwise require a PCS form
- Implement new claims processing edits
  - Transports to/from a non-covered destination
  - Inappropriate Level of Service/Destination combinations

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OIG Recommendations

- Increase monitoring of ambulance claims
  - i.e., prepay and postpay audits!!
- Take appropriate action against the ambulance suppliers identified in this report
  - OIG to notify CMS of claims that did not meet payment requirements

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INVESTIGATIONS RE: "UNLIKELY EMERGENCIES"

- The DC Office of the OIG is actively investigating ambulance providers around the country for "unlikely emergencies"
  - i.e., claims billed for an emergency base rate where the destination was a residence or nursing home

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INVESTIGATIONS RE: "UNLIKELY EMERGENCIES"

We are writing to advise that the Office of Inspector General (OIG) of the United States Department of Health and Human Services (HHS) believes that the [redacted] may be liable for civil monetary penalties and assessments under the Civil Monetary Penalties Law (CMPL), section 1128A of the Social Security Act (Act), 42 U.S.C. sections 1320a-7a(a)(1)(B). These statutes authorize the OIG to impose civil monetary penalties and assessments against any entity that knowingly presents or causes to be presented to an officer, employee, or agent of the United States, or any department or agency thereof, a claim that the Secretary determines is for a medical or other item or service that the person knows or should know was false or fraudulent.

Specifically, OIG-HHS believes that [redacted] filed claims for basic life support (emergency) and advanced life support (emergency) ambulance transportation that [redacted] knew or should have known were false or fraudulent. OIG believes that [redacted] submitted such ambulance claims using origin-destination modifiers where the destination for these emergency ambulance claims was not a hospital, but rather included destinations such as skilled nursing facilities and patient residences (among others). OIG has preliminarily determined that between the dates September 11, 2009, and July 6, 2012, [redacted] submitted 1,834 such claims, and that the total amount [redacted] was wrongfully paid for these claims was $479,145.60.

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Likely Impact on Our Industry

- Immediate recoupments of claims suspected to be improper
  - e.g., emergency transports with destinations other than an "H"
- New claims processing edits
- Change in electronic claims filing requirements
  - e.g., NPI of "referring physician"
- **Increased enforcement activity!!!**

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NORIDIAN

Ambulance Service, A0427: ALS, Emergency Transport – Northern CA, Southern CA, NV including HI, AS, NMI, and GU Widespread Service Specific Probe Review Notification

This is to notify providers of the initiation of a Service Specific Probe Review for Ambulance on:

HCPCS ® A0427 – Ambulance service, advanced life support, emergency transport, level 1 (ALS 1 - emergency)

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The Report

http://oig.hhs.gov/oei/reports/oei-09-12-00351.asp

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