

REPORT HIGHLIGHTS



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Medicare Improperly Paid Suppliers for Intermittent Urinary Catheters

Why OIG Did This Audit

- From 2014 through 2021, [CMS](#) identified high improper payments for urological supplies, which include intermittent urinary catheters (catheters).
- Because of the ongoing risk of improper payments, we conducted this nationwide audit to determine whether Medicare paid suppliers for catheters in accordance with Medicare requirements for catheters provided to enrollees from July 2021 through June 2022 (audit period).

What OIG Found

Medicare did not make some payments to suppliers for catheters in accordance with Medicare requirements:

- Payments for 88 of 105 sample items met requirements. (We did not review 2 of 105 sample items and treated them as non-errors because after we had selected our sample, we determined that Medicare contractors had denied the claims.)
- Payments for the remaining 15 sample items did not meet requirements. Specifically, medical records did not support Medicare enrollees' eligibility for curved-tip catheters or sterile catheter kits (kits), or suppliers did not meet Medicare requirements for catheter refills, proof of delivery, or a standard written order.

On the basis of our sample results, we estimated that of the \$303.3 million Medicare paid for catheters and kits for our audit period, approximately \$35.1 million was improperly paid. In addition, we estimated that enrollees were responsible for approximately \$8.8 million in associated coinsurance.

In addition, our analysis of Medicare claims submitted after our audit period showed that suppliers billed 125,426 claims for curved-tip catheters provided to female enrollees in 2023, compared with 2,753 claims for our audit period. This large increase in claims billed may be an indication of improper claims. We shared our analysis, identifying suppliers with questionable billing patterns, with CMS so that it could take action as needed. In comments on our draft report, CMS informed us that it had already taken corrective action on 15 suppliers.

What OIG Recommends

We recommend that CMS instruct Medicare contractors to recover \$11,399 in overpayments made to suppliers for the 15 sample items that did not meet Medicare requirements; perform additional medical reviews of claims for catheters and kits, which could have saved Medicare an estimated \$35.1 million for our audit period; and provide additional education to suppliers on documenting eligibility for curved-tip catheters and kits and on documenting refills of catheters and kits. The full recommendations are in the report.

CMS concurred with all our recommendations except one recommendation shown in our draft report related to the 60-day-rule requirements for suppliers. We removed that recommendation.