

Report in Brief

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



Why OIG Did This Audit

Previous OIG work identified Medicare claims for cardiac and pulmonary rehabilitation services that did not comply with Federal requirements. Preliminary work reviewing one provider's compliance identified broader, significant concerns with Centers for Medicare & Medicaid Services (CMS) regulations; therefore, we determined that an audit of CMS's Medicare cardiac and pulmonary rehabilitation programs could identify potential areas for improvement and reduce provider errors as well as result in monetary savings.

Our objective was to determine whether CMS regulatory requirements contained sufficient information to ensure that claims for outpatient cardiac and pulmonary rehabilitation services complied with Medicare coverage requirements.

How OIG Did This Audit

We selected for review the third highest-paid provider in the country in combined Medicare reimbursement for both outpatient cardiac and pulmonary rehabilitation services. We reviewed a random sample of 100 beneficiary-days. We submitted 10 beneficiary-days to an independent medical review contractor and evaluated all 100 beneficiary-days for compliance with applicable requirements and to determine whether services complied with Medicare coverage and documentation requirements.

CMS Needs to Strengthen Regulatory Requirements for Medicare Part B Outpatient Cardiac and Pulmonary Rehabilitation Services to Ensure Providers Fully Meet Coverage Requirements

What OIG Found

CMS regulatory requirements related to Medicare outpatient cardiac and pulmonary rehabilitation services did not contain sufficient information to ensure that claims for these services met Medicare coverage requirements. Specifically, the requirements lacked details related to what patient-specific information should be contained in a beneficiary's medical record and how this information should relate to their individualized treatment. As a result, for all 100 sampled beneficiary-days, we determined that medical record documentation obtained from the selected provider did not contain sufficient evidence to support whether Medicare coverage requirements for reimbursement of cardiac and pulmonary rehabilitation services were met. On the basis of our sample results, we estimated that \$2.7 million in Medicare payments made by CMS to the selected provider for outpatient cardiac and pulmonary rehabilitation services may not have met Medicare coverage requirements, as intended. Further, based on our review, we believe that Medicare payments totaling approximately \$626 million made by CMS to all providers for outpatient cardiac and pulmonary rehabilitation services during our audit period may not have met the requirements.

What OIG Recommends and CMS Comments

We recommend that CMS revise its regulations to provide sufficient guidance to ensure that providers meet coverage requirements for outpatient cardiac and pulmonary rehabilitation services.

In written comments on our draft report, CMS stated that, in March 2021, it updated subregulatory guidance in two of its manuals to more closely reflect regulatory text. CMS also stated that it will consider our recommendation when determining appropriate next steps regarding the regulations on outpatient cardiac and pulmonary rehabilitation services.