

Report in Brief

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



Why OIG Did This Audit

Medicare paid approximately \$1 billion for psychotherapy services provided to Medicare beneficiaries nationwide during calendar year 2019. Prior OIG audits and reviews found that Medicare had made millions of dollars in improper payments for mental health services, including psychotherapy services. After analyzing Medicare claims data for Part B psychotherapy services provided during 2019, we identified a New York City provider that was among the highest reimbursed individual providers in the Nation.

Our objective was to determine whether a New York City provider complied with Medicare requirements when billing for psychotherapy services.

How OIG Did This Audit

Our audit covered 15,559 beneficiary days for psychotherapy services for which a New York City provider received Medicare reimbursement totaling \$1.1 million during the period April 1, 2018, through August 31, 2020 (audit period). We reviewed a simple random sample of 100 beneficiary days. We did not determine whether the services were medically necessary.

Psychotherapy Services Billed by a New York City Provider Did Not Comply With Medicare Requirements

What OIG Found

The New York City provider did not comply with Medicare requirements when billing for psychotherapy services for all 100 sampled beneficiary days. Specifically, beneficiaries' treatment plans associated with these services were not provided or did not contain required elements (e.g., frequency or duration of services). This heightens the risk that treatments were inappropriate or unnecessary and could have a significant effect on the beneficiaries' quality of care received. We also found that services billed to Medicare did not meet incident-to requirements or were conducted by a therapist that was not licensed or registered in New York State. Also, time spent on psychotherapy services was not documented and treatment notes were not maintained to support the services billed. In addition, for psychotherapy services provided during 96 sampled beneficiary days, there was no evidence that beneficiaries' treatment plans were signed by the treating physician.

On the basis of our sample results, we estimated that the New York City provider received \$1.1 million in Medicare overpayments for psychotherapy services. These deficiencies occurred because the provider did not develop policies and procedures or provide training to its therapists to ensure that psychotherapy services were appropriately billed to Medicare.

What OIG Recommends and New York City Provider Comments

We recommend that the New York City provider (1) refund to the Medicare program the estimated \$1.1 million overpayment and (2) based upon the results of this audit, exercise reasonable diligence to identify, report, and return any overpayments in accordance with the 60-day rule and identify any of those returned overpayments as having been made in accordance with this recommendation. We also recommended that the provider develop policies and procedures and provide training to its therapists to ensure that psychotherapy services comply with Medicare requirements.

In written comments on our draft report, the New York City provider disagreed with our first recommendation, agreed with the legal basis of our second recommendation but described the extrapolated sum as grossly overbroad, and agreed with our remaining recommendations. After reviewing the New York City provider's comments, we reduced the number of deficiencies for one finding and maintain that our findings and associated recommendations, as revised, are valid.