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

CMS Paid Practitioners for Telehealth Services That Did Not Meet Medicare Requirements

Why OIG Did This Review

Medicare paid a total of $17.6 million in telehealth payments in 2015, compared with $61,302 in 2001. Medicare telehealth payments include a professional fee, paid to the practitioner performing the service at a distant site, and an originating-site fee, paid to the facility where the beneficiary receives the service. A Medicare Payment Advisory Commission study of 2009 claims found that Medicare professional fee claims without associated claims for originating-site facility fees were more likely to be associated with unallowable telehealth payments. We analyzed 2014 and 2015 (our audit period) telehealth claims and found that more than half of the professional telehealth claims paid by Medicare did not have matching originating-site facility fee claims. Therefore, we focused our review on telehealth claims billed through a distant site that did not have a corresponding originating-site fee.

Our objective was to determine whether the Centers for Medicare & Medicaid Services (CMS) paid practitioners for telehealth services that met Medicare requirements.

How OIG Did This Review

We reviewed 191,118 Medicare paid distant-site telehealth claims, totaling $13.8 million, that did not have corresponding originating-site claims. We reviewed provider supporting documentation for a stratified random sample of 100 claims to determine whether services were allowable in accordance with Medicare requirements.

What OIG Found

CMS paid practitioners for some telehealth claims associated with services that did not meet Medicare requirements. For 69 of the 100 claims in our sample, telehealth services met requirements. However, for the remaining 31 claims, services did not meet requirements. Specifically:

- 24 claims were unallowable because the beneficiaries received services at nonrural originating sites,
- 7 claims were billed by ineligible institutional providers,
- 3 claims were for services provided to beneficiaries at unauthorized originating sites,
- 2 claims were for services provided by an unallowable means of communication,
- 1 claim was for a noncovered service, and
- 1 claim was for services provided by a physician located outside the United States.

We estimated that Medicare could have saved approximately $3.7 million during our audit period if practitioners had provided telehealth services in accordance with Medicare requirements.

The deficiencies that we identified occurred because CMS did not ensure that (1) there was oversight to disallow payments for errors where telehealth claim edits could not be implemented, (2) all contractor claim edits were in place, and (3) practitioners were aware of Medicare telehealth requirements.

What OIG Recommends and CMS Comments

We recommend that CMS (1) conduct periodic postpayment reviews to disallow payments for errors for which telehealth claim edits cannot be implemented; (2) work with Medicare contractors to implement all telehealth claim edits listed in the *Medicare Claims Processing Manual*; and (3) offer education and training sessions to practitioners on Medicare telehealth requirements and related resources.

CMS concurred with our recommendations.