

Report in Brief

Date: March 2023

Report No. A-07-21-00618

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



Why OIG Did This Audit

To address inappropriate billing for and overuse of epidural steroid injections, 10 of the 12 Medicare Administrative Contractors' (MACs') jurisdictions developed coverage limitations, through Local Coverage Determinations (LCDs), for epidural steroid injection sessions. These coverage limitations allow for physicians to be reimbursed for a maximum number of epidural steroid injection sessions in a 6-month or a 12-month period.

Prior OIG audits found that Medicare did not always pay physicians for spinal facet-joint denervation and injection sessions in accordance with Federal requirements.

Our objective was to determine whether Medicare paid physicians for epidural steroid injection sessions in accordance with Medicare requirements.

How OIG Did This Audit

During our audit period (January 1, 2019, to December 31, 2020), the MACs paid physicians \$52.8 million for 303,408 epidural steroid injection sessions. We analyzed the 303,408 sessions and identified 80,419 sessions totaling \$13.8 million that exceeded the coverage limitation for the respective MAC jurisdiction.

Medicare Improperly Paid Physicians for Epidural Steroid Injection Sessions

What OIG Found

Medicare did not always pay physicians for epidural steroid injection sessions in accordance with Medicare requirements. For our audit period, Medicare improperly paid physicians \$3.6 million on behalf of beneficiaries who received more epidural steroid injection sessions than were permitted by the coverage limitations in the applicable LCDs. These improper payments occurred because neither the Centers for Medicare & Medicaid Services's (CMS's) oversight nor the MACs' oversight was adequate to prevent or detect improper payments for epidural steroid injection sessions.

After our audit period, all 12 MAC jurisdictions updated their LCDs with revised coverage limitations that were specific to epidural steroid injections.

What OIG Recommends and CMS Comments

We recommend that CMS: (1) direct the MACs to recover the \$3.6 million in improper payments made to physicians for epidural steroid injection sessions; (2) instruct the MACs to, based on the results of this audit, notify appropriate physicians (i.e., those for whom CMS determines this audit constitutes credible information of potential overpayments) so that the physicians can 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; (3) assess the effectiveness of oversight mechanisms, put in place after our audit period, that are specific to preventing or detecting improper payments to physicians for more than the allowed number of epidural steroid injection sessions, and modify the oversight mechanisms, if necessary, based on that assessment; and (4) direct the MACs (or other designated entities) to review a sample of claims for injection sessions administered after our audit period but before the revised coverage limitations became effective to identify and recover any improper payments.

CMS concurred with all of our recommendations and described actions that it had taken or planned to take to address our recommendations, to include directing the MACs to recover overpayments, instructing the MACs to notify physicians of potential overpayments, determining whether any modifications to oversight mechanisms are necessary, and sharing this report with medical review contractors to consider whether additional reviews should be performed, and any identified overpayments recovered, as part of the contractors' overall improper payment reduction strategies.