

## Report in Brief

Date: June 2023

Report No. A-09-21-03016

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



### Why OIG Did This Audit

Medicare makes monthly capitation payments (MCPs) to physicians and qualified nonphysician practitioners managing patients in a dialysis center. The MCP covers most outpatient dialysis-related physician services furnished to enrollees with end-stage renal disease (ESRD). In FY 2016, the Centers for Medicare & Medicaid Services estimated that there was \$107 million in overpayments for ESRD-related services billed for enrollees 20 years of age and older who had four or more face-to-face visits by a physician or qualified nonphysician practitioner per month, which corresponded to an improper payment rate of 21 percent.

Our objective was to determine whether Noridian Healthcare Solutions, LLC (Noridian), made MCPs to physicians and qualified nonphysician practitioners in Jurisdiction E for certain ESRD-related services in accordance with Medicare requirements and guidance.

### How OIG Did This Audit

Our audit covered Medicare Part B payments of \$46.7 million for certain ESRD-related services, which we grouped into 189,683 enrollee-months with dates of service from April 1 through December 31, 2020 (audit period). We selected a random sample of 100 enrollee-months. An enrollee-month consisted of all Part B claim lines for an enrollee who received ESRD-related services and was 20 years of age or older with four or more visits by a physician or qualified nonphysician practitioner in that month.

## Noridian Healthcare Solutions, LLC, Made \$8.8 Million in Improper Monthly Capitation Payments to Physicians and Qualified Nonphysician Practitioners in Jurisdiction E for Certain Services Related to End-Stage Renal Disease

### What OIG Found

Noridian did not make some MCPs to physicians and qualified nonphysician practitioners in Jurisdiction E for certain ESRD-related services in accordance with Medicare requirements and guidance. Of the sampled 100 enrollee-months, 74 met the requirements; however, the remaining 26 enrollee-months did not meet 1 or more of the requirements. As a result, Noridian made improper MCPs of \$4,663 to physicians and qualified nonphysician practitioners. Enrollees were responsible for \$1,162 in coinsurance related to the improper payments. These improper payments occurred because Noridian's oversight was not sufficient to ensure that physicians and qualified nonphysician practitioners met Medicare billing requirements for ESRD-related services. On the basis of our sample results, we estimated that for our audit period Noridian made approximately \$8.8 million in improper MCPs to physicians and qualified nonphysician practitioners for ESRD-related services. We also estimated that Medicare enrollees paid approximately \$2.2 million in coinsurance for the improperly paid ESRD-related services.

### What OIG Recommends and Noridian Comments

We recommend that Noridian: (1) recover \$4,663 in improper payments made to physicians and qualified nonphysician practitioners for the 26 sampled enrollee-months; (2) notify the physicians and qualified nonphysician practitioners to refund \$1,162 in coinsurance that was collected for the 26 sampled enrollee-months; and (3) update the educational material on its website as well as any previously provided webinars to include all Medicare requirements and guidance for billing and documenting ESRD-related services and continue to perform medical record reviews as part of the Targeted Probe and Educate program, which could have saved the Medicare program an estimated \$8.8 million and could have saved Medicare enrollees up to an estimated \$2.2 million for our audit period. The report contains one other recommendation.

Noridian concurred with all of our recommendations and described actions that it had taken or planned to take to address our recommendations, including updating the educational material on its website to include all Medicare requirements and guidance for billing and documenting ESRD-related services.