

# GAO Highlights

Highlights of [GAO-13-430](#), a report to congressional requesters

## Why GAO Did This Study

CMS has estimated improper Medicare fee-for-service payments of \$29.6 billion in fiscal year 2012. To help prevent improper payments, CMS has implemented national MUEs, which limit the amount of a service that is paid when billed by a provider for a beneficiary on the same day. The limits for certain services that have been fraudulently or abusively billed are unpublished to deter providers from billing up to the maximum allowable limit.

GAO was asked to review issues related to MUEs. This report examines the extent to which CMS has (1) paid for services that exceeded the unpublished MUE limits and (2) examined billing from providers that exceeded unpublished MUE limits. GAO analyzed Medicare claims related to these limits in 2011, and interviewed CMS officials and selected contractors in states with high improper payments.

## What GAO Recommends

GAO recommends that CMS examine contractor edits to determine if any national unpublished MUE limits should be revised; and consider reviewing claims to identify providers that exceed the unpublished MUE limits, and determine whether their billing was proper. In its written comments, HHS concurred with both our recommendations.

View [GAO-13-430](#). For more information, contact Kathleen M. King at (202) 512-7114 or [kingk@gao.gov](mailto:kingk@gao.gov).

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## MEDICARE PROGRAM INTEGRITY

### Few Payments in 2011 Exceeded Limits under One Kind of Prepayment Control, but Reassessing Limits Could Be Helpful

## What GAO Found

Less than 0.1 percent of payments Medicare made in 2011 were for amounts of services that exceeded certain unpublished limits for excess billing and where the claims did not include information from the providers to indicate why the additional services were medically necessary. These limits are set by the Centers for Medicare & Medicaid Services (CMS)—an agency within the Department of Health and Human Services (HHS)—as a means to avoid potentially improper payments. To implement these limits, CMS established automated controls in its payment systems called Medically Unlikely Edits (MUE). These MUEs compare the number of certain services billed against limits for the amount of services likely to be provided under normal medical practice to a beneficiary by the same provider on the same day—for example, no more than one of the same operation on each eye. GAO analysis of 2011 claims data found approximately \$14 million out of a total of \$23.9 billion in Medicare payments for services that exceeded unpublished MUE limits and where the claims did not include information from the providers to indicate why the additional services were medically necessary. As GAO has previously reported, claims could exceed the limits because the MUEs are not set up as per-day limits that assess all services billed by a provider for a single beneficiary on the same day. CMS plans to begin implementing MUEs for some services as per-day limits for services where it would be impossible to exceed the limits for anatomical or other reasons. Medicare contractors that pay claims may develop local edits, which can set more restrictive limits for some services than the national unpublished MUE limits. GAO's analysis of claims data applying a few of these more restrictive local limits showed that by applying them instead of the relevant national MUE limits, CMS could have lowered payments by an additional \$7.8 million. However, CMS is not evaluating these local edits to determine if these lower limits might be more appropriate. To the extent that these and other local edits are not evaluated more systematically, CMS may be missing an opportunity to achieve savings by revising some national MUEs to correspond with more restrictive local limits.

CMS and its contractors did not have a system in place for examining claims to determine the extent to which providers may be exceeding unpublished MUE limits and whether payments for such services were proper. CMS officials and contractors told us that they examine aberrant billing patterns at a provider level, that is, across all services billed by the provider, but not specifically for services with unpublished MUE limits. GAO found that payments that exceeded MUE limits were concentrated among certain providers and types of specialties, in certain states, and for certain services. For example, the top 100 providers with payments that exceeded the MUE limits accounted for nearly 44 percent of total payments that exceeded the MUE limits, although they accounted for only about 1 percent of total payments for all services with unpublished MUEs. Moreover, about 26 percent of the top 100 providers included clinical laboratories and durable medical equipment providers, both of which have been identified in the past as having high potential for fraudulent billings. Because unpublished MUEs were developed for services and items that have been fraudulently or abusively billed in the past, without systematically examining billing information and claims from the top providers exceeding those limits CMS may be missing another opportunity to improve its program integrity efforts.