

Office of Inspector General Fiscal Year 2011 Work Plan – Sleep-Related Projects

Appropriateness of Medicare Payments for Polysomnography

We will review the appropriateness of Medicare payments for sleep studies. Sleep studies are reimbursable for patients who have symptoms consistent with sleep apnea, narcolepsy, impotence, or parasomnia in accordance with the CMS *Medicare Benefit Policy Manual*, Pub. No. 102, ch. 15, § 70. Medicare payments for polysomnography increased from \$62 million in 2001 to \$235 million in 2009, and coverage was also recently expanded. We will also examine the factors contributing to the rise in Medicare payments for sleep studies and assess provider compliance with Federal program requirements.

(OEI; 00-00-00000; expected issue date: FY 2012; new start)

Medicare Payments for Sleep Testing

We will review the appropriateness of Medicare payments for sleep test procedures provided at sleep disorder clinics. The Social Security Act, § 1862(a)(1)(A), provides that Medicare will not pay for items or services that are “not reasonable and necessary for the diagnosis and treatment of illness or injury or to improve the functioning of a malformed body member.” CMS’s *Medicare Benefit Policy Manual*, Pub. No. 100-02, ch. 15, § 70, provides CMS’s requirements for coverage of sleep tests under Part B. A preliminary OIG review identified improper payments when certain modifiers are not reported with sleep test procedures. We will examine Medicare payments to physicians and independent diagnostic testing facilities for sleep test procedures to determine whether they were in accordance with Medicare requirements.

(OAS; W-00-10-35521; W-00-11-35521; various reviews; expected issue date: FY 2011; work in progress)

Independent Diagnostic Testing Facilities’ Compliance With Medicare Standards

We will review selected IDTFs enrolled in Medicare to determine the extent to which they comply with selected Medicare standards. IDTFs received payments of about \$860 million in 2009. Federal regulations at 42 CFR § 410.33, require IDTFs to certify on their enrollment applications that they comply with 17 standards. Such standards include requirements that IDTFs comply with all of the Federal and State licensure and regulatory requirements that are applicable to the health and safety of patients, provide complete and accurate information on their enrollment applications, and have on duty technical staff members who hold appropriate credentials to perform tests. We will also identify billing patterns associated with IDTFs that were not compliant with selected Medicare standards.

(OEI; 05-09-00560; expected issue date: FY 2011; work in progress)