AAPM&R's Summary of the OIG Report on Electrodiagnostic Tests

In April 2014, the Office of Inspector General (OIG) released a report on questionable billing for Medicare electrodiagnostic tests.

The reason for the report:

In 2011, Medicare paid approximately $486 million to 21,700 physicians who billed for electrodiagnostic tests for 877,000 beneficiaries. Further, the OIG stated that the growth of Medicare spending on electrodiagnostic testing has outpaced the growth in overall Medicare spending in recent years. Stating that from 2002 to 2011, spending for electrodiagnostic testing under Medicare Part B increased 74 percent, from $279 million to $486 million. In comparison, during the same timeframe, overall Medicare spending for Part B items and services increased 50 percent. As a result, the OIG believed that recent investigations have found that electrodiagnostic testing is an area vulnerable to fraud, waste, and abuse.

OIG's methodology:

OIG examined Medicare 2011 EMG claims data to identify physicians who the Agency deemed had unusually high billing based on measures developed by OIG. Physicians were classified into two groups on the basis of their specialty to ensure that physicians' billing was compared to that of their peers. One group consisted of neurologists and physiatrists, and the second group consisted of the remaining physicians in other specialties. The seven measures that OIG developed to measure, what they have deemed as fraudulent billing:

- Physicians with an unusually high percentage of electrodiagnostic test claims using modifier 59.
- Physicians with an unusually high percentage of electrodiagnostic test claims using modifier 25.
- Physicians with an unusually high percentage of electrodiagnostic test claims.
- Physicians with an unusually high percentage of electrodiagnostic test claims that did not include both an NCT and a needle EMG test.
- Physicians with an unusually high average number of miles between the physicians' and beneficiaries' locations.
- Physicians with an unusually high percentage of beneficiaries for whom at least three physicians billed Medicare for electrodiagnostic tests.
- Physicians with an unusually high average number of electrodiagnostic test claims for the same beneficiary on the same day.

The OIG considered a physician's billing to be unusually high, or questionable, on each of the seven measures if it was greater than the 75th percentile plus 1.5 times the interquartile range.

A limitation of the study was that OIG did not conduct a medical record review to determine whether the services that were identified as being associated with questionable billing were inappropriate or fraudulent.

What the OIG found:

- A total of 4,901 physicians met or exceeded the threshold for at least one measure of questionable billing, representing 23 percent of the 21,663 physicians who billed for electrodiagnostic services in 2011.
- Of the physicians with questionable billing, 49 percent (2,387 of 4,901) were neurologists and physiatrists. The remaining 51 percent (2,514 of 4,901) were physicians in other specialties. **Appendix A** (pg. 22) shows the number and percentage of physicians with questionable billing in each specialty.
- A total of 2,156 physicians billed for an unusually high percentage of electrodiagnostic tests using modifier 59. Of all these physicians, 19 percent (405 of 2,156) always billed for electrodiagnostic tests using modifier 59.
- Of 21,663 physicians who billed for electrodiagnostic tests in 2011, a total of 52 physicians billed for an unusually high percentage of electrodiagnostic tests using modifier 25.
- 1,155 physicians in specialties other than neurology or physiatry billed for an unusually high percentage of electrodiagnostic tests accounting for $61 million of the 2011 payments for electrodiagnostic tests.
- 907 physicians billed for an unusually high percentage of electrodiagnostic tests that did not include both an NCT and a needle EMG test, accounting for $19 million of the 2011 payments.
- 700 physicians billed for electrodiagnostic tests for beneficiaries who resided an unusually high average number of miles from the physicians' practice locations, accounting for $15 million of the 2011 payments. For example, one general practitioner in Indianapolis, Indiana, billed for an electrodiagnostic test for a beneficiary who resided nearly 2,000 miles away, in McKinleyville, California. This physician's 27 other beneficiaries resided an average of 1,785 miles away.
- 334 physicians billed for an unusually high average number of electrodiagnostic tests for the same beneficiary on the same day, for example, 6 physicians billed for an average of 32 electrodiagnostic tests for the same beneficiary on the same day.
- Thirty-eight percent of physicians with questionable billing for electrodiagnostic tests were in10 metropolitan areas, **Table 4 (pg. 18).**

OIG's Recommendations to CMS

1. Instruct contractors to monitor the billing of electrodiagnostic tests using measures of questionable billing similar to those we incorporated into this study by developing thresholds for these measures and instructing contractors to conduct additional reviews of physicians who exceed them.
    a. It is important to note that CMS has included EMGs on the RAC list of procedures to monitor.
2. Provide additional guidance and education to physicians regarding electrodiagnostic tests.
    a. <u>This is important for us to get ahead of with our own educational guidance.</u>
3. Take appropriate action regarding physicians the OIG identified as having inappropriate or questionable billing