

Report on Medicare Compliance Volume 31, Number 12. April 04, 2022

OIG Audit: Provider Was Overpaid \$1.118M for Psychotherapy Services

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In a new audit report that serves as a checklist of Medicare requirements for behavioral health, the HHS Office of Inspector General (OIG) said a New York City provider was overpaid an extrapolated amount of \$1.118 million for psychotherapy services.^[1] The errors run the gamut from failure to document the time spent providing psychotherapy to noncompliant treatment plans, OIG contends.

The provider, which is in Queens, a borough of New York City, provides behavioral therapy and psychiatric consultations. It was not named because an OIG spokesperson said “our internal policy is not to include the name of an individual provider in a report that will be posted on the internet.” Medicare reimbursed the provider \$1.1 million during the audit period (April 1, 2018, through Aug. 31, 2020) for services provided by the owner (a psychiatrist), four licensed social workers, a registered nurse, and a social worker. The provider is “among the highest reimbursed individual providers” in the country, OIG said.

Medicare Part B covers mental health services, including psychotherapy, provided by qualified professionals. Beneficiaries may receive an evaluation and management (E/M) service (e.g., for medication management) on the same day as psychotherapy provided by the same physician, psychiatrist, or other qualified professional if the two services are significant and separately identifiable. There are different codes for psychotherapy vs. psychotherapy and medication management depending on how much therapy is provided.

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