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OIG Audit: Hospital was Overpaid \$23.6M, Mostly for IRF Claims; It Will Appeal Denials

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In possibly its largest overpayment finding ever in a provider compliance audit, the HHS Office of Inspector General (OIG) said Sunrise Hospital & Medical Center in Las Vegas, Nevada, was overpaid \$23.6 million in 2017 and 2018, according to a report posted April 1.^[1] The lion's share of the overpayment stemmed from inpatient rehabilitation facility (IRF) admissions, although some were for inpatient admissions that should have been billed as outpatient or observation services, OIG said. The hospital "strongly disagrees with the vast majority of OIG's conclusions" and its use of extrapolation and plans to appeal all denied IRF claims.

OIG audited a stratified random sample of 100 claims submitted by the 599-bed acute care, for-profit hospital. It determined that the hospital made errors on 54 claims, which caused net overpayments of \$999,950. The amount includes claims that are outside the four-year reopening period. "On the basis of our sample results, we estimated that the Hospital received overpayments of at least \$23.6 million for the audit period," OIG said.

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