Report on Medicare Compliance Volume 30, Number 34. September 27, 2021
Hospital Settles CMP Case Over Billing HRSA Without COVID-19 as Primary Diagnosis

By Nina Youngstrom

In a case that illuminates another billing risk unique to pandemic times, Midland Memorial Hospital in Texas has agreed to pay $555,141 in a civil monetary penalty settlement over claims for uninsured COVID-19 patients submitted to the Health Resources and Services Administration (HRSA).

According to its settlement with the HHS Office of Inspector General (OIG), which was obtained through the Freedom of Information Act, the hospital allegedly submitted fraudulent claims to HRSA's program for COVID-19 claims reimbursement to health care providers and facilities for testing, treatment and vaccine administration for the uninsured. Between April 1, 2020, and Sept. 30, 2020, OIG alleged Midland Memorial Hospital billed for COVID-19 treatment provided to patients without COVID-19 as the primary diagnosis or without pregnancy as the primary diagnosis and COVID-19 as the secondary diagnosis. The hospital disclosed the errors to OIG and was accepted into its Self-Disclosure Protocol on Feb. 4, 2021.

The hospital previously refunded HRSA $370,094 and agreed to pay $185,047 as the rest of the settlement with OIG.

Most errors stemmed from sequencing COVID-19 as the secondary diagnosis, although that's consistent with coding guidelines, said Bilal Mushtaq, M.D., president of Paramount Health Solutions, which does coding reviews for Midland Memorial Hospital. With other claims, "documentation didn't support a COVID diagnosis." Paramount now reviews 100% of the hospital's COVID-19 cases "to make sure there aren't any issues from a compliance or any standpoint," he said.

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