

Report in Brief

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Report No. A-02-16-01001

U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES
OFFICE OF INSPECTOR GENERAL



Why OIG Did This Review

Under the home health prospective payment system (PPS), the Centers for Medicare & Medicaid Services pays home health agencies (HHAs) a standardized payment for each 60-day episode of care that a beneficiary receives. The PPS payment covers intermittent skilled nursing and home health aide visits, therapy (physical, occupational, and speech-language pathology), medical social services, and medical supplies.

Our prior reviews of home health services identified significant overpayments to HHAs. These overpayments were largely the result of HHAs improperly billing for services to beneficiaries who were not confined to the home (homebound) or were not in need of skilled services.

Metropolitan Jewish Home Care, Inc., (Metropolitan) located in Brooklyn, New York, received Medicare reimbursement of \$500 or more for 18,318 claims for home health services provided during calendar years (CYs) 2013 and 2014, totaling \$62.8 million.

Our objective was to determine whether Metropolitan complied with Medicare requirements for billing home health services on claims.

How OIG Did This Review

We reviewed a stratified random sample of 100 of Metropolitan's home health claims. We evaluated the claims for compliance with selected billing requirements and submitted them to medical review.

Metropolitan Jewish Home Care, Inc., Billed for Home Health Services That Did Not Comply With Medicare Requirements

What OIG Found

Metropolitan did not comply with Medicare billing requirements for 11 of the 100 home health claims that we reviewed. For these claims, Metropolitan received overpayments of \$34,514 for services provided during CYs 2013 and 2014. Specifically, Metropolitan incorrectly billed Medicare for beneficiaries that were not homebound or did not require skilled services. In addition, Metropolitan received reimbursement for claims for which the services were not supported by documentation. On the basis of our sample results, we estimated that Metropolitan received overpayments of at least \$2.9 million for the audit period. All of the incorrectly billed claims are now outside of the Medicare reopening period; therefore, we are not recommending recovery of the overpayments.

What OIG Recommends and Metropolitan Comments

We recommend that Metropolitan exercise reasonable diligence to identify and return overpayments in accordance with the 60-day rule and identify any returned overpayments as having been made in accordance with our recommendations. We also recommend that Metropolitan strengthen its procedures to ensure that (1) the homebound statuses of Medicare beneficiaries are verified and continually monitored and the specific factors qualifying beneficiaries as homebound are documented (2) beneficiaries are receiving only reasonable and necessary skilled services and (3) reimbursement for services comply with Medicare documentation requirements.

In written comments on our draft report, Metropolitan generally disagreed with our findings and recommendations and stated that nearly all of its claims for home health services complied with Medicare payment requirements. After reviewing Metropolitan's comments and additional documentation provided, we revised our findings and related recommendations for 19 claims that we questioned in our draft report and eliminated 2 findings. We maintain our findings and determinations, as revised, are valid.