

## Report in Brief

Date: December 2020

Report No. A-02-16-01024

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



### Why OIG Did This Audit

The Medicare hospice benefit allows providers to claim Medicare reimbursement for hospice services provided to individuals with a life expectancy of 6 months or less and who have elected hospice care. Previous OIG reviews found that Medicare inappropriately paid for hospice services that did not meet Medicare requirements.

Our objective was to determine whether hospice services provided by Hospice Compassus, Inc., of Tullahoma, Tennessee (Tullahoma), complied with Medicare requirements.

### How OIG Did This Audit

Our audit covered 6,402 claims for which Tullahoma received Medicare reimbursement totaling \$19.6 million for hospice services provided during the period January 2014 through March 2016. We reviewed a random sample of 100 claims. We evaluated the services for compliance with Medicare requirements and submitted records associated with them to an independent medical review contractor.

## Medicare Hospice Provider Compliance Audit: Hospice Compassus, Inc., of Tullahoma, Tennessee

### What OIG Found

Tullahoma did not comply with Medicare requirements for 35 of the 100 claims in our sample. For these claims, Tullahoma claimed Medicare reimbursement for hospice services (1) for which the clinical record did not support the beneficiary's terminal prognosis, (2) that were not documented, and (3) for which the notice of election was not filed timely with the Medicare Administrative Contractor.

These improper payments occurred because Tullahoma's policies and procedures for ensuring that claims for hospice services met Medicare requirements were not always effective. On the basis of our sample results, we estimated that Tullahoma received at least \$3.4 million in Medicare reimbursement for hospice services that did not comply with Medicare requirements.

### What OIG Recommends and Tullahoma Comments

We recommend that Tullahoma exercise reasonable diligence to identify, report, and return overpayments in accordance with the 60-day rule, and based on the results of our audit, identify, report, and return any additional overpayments as having been made in accordance with our recommendations. We also recommended that Tullahoma strengthen its procedures to ensure that hospice services comply with Medicare requirements.

In written comments on our draft report, Tullahoma, through its attorneys, generally disagreed with our findings and recommendations. Specifically, Tullahoma disagreed with all but 4 of the 68 claims questioned in our draft report. Tullahoma asserted that the medical review contractor misunderstood or misapplied coverage criteria related to the Medicare hospice benefit and glossed over the critical role of the hospice physician's certification of terminal illness. Additionally, Tullahoma believes that the records it provided supported the certifying physician's prognosis of terminal illness.

Based on the independent medical review contractor's reassessment of the cases disputed by Tullahoma, as well as an evaluation of Tullahoma's comments, we revised our determination for 35 claims. This resulted in 33 claims being allowable because 2 of the 35 claims remain unallowable for another reason. We revised our report and related recommendations accordingly. We maintain that our findings and recommendations, as revised, are valid.