

Report in Brief

Date: February 2021

Report No. A-02-18-01024

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 certain Medicare requirements.

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

How OIG Did This Audit

Our audit covered 33,024 claims for which Tidewell received Medicare reimbursement totaling \$116.7 million for hospice services provided during the period April 2016 through March 2018. We reviewed a random sample of 100 claims. We evaluated the services for compliance with selected Medicare requirements and submitted records associated with them to an independent medical review contractor who determined whether the services met coverage, medical necessity, and coding requirements.

Medicare Hospice Provider Compliance Audit: Tidewell Hospice, Inc.

What OIG Found

Tidewell did not comply with Medicare requirements for 18 of the 100 claims in our sample. For these claims, Tidewell claimed Medicare reimbursement for hospice services for which the clinical record did not support the beneficiary's terminal illness prognosis or the level of care claimed and for services that were not eligible for Medicare reimbursement.

These improper payments occurred because Tidewell'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 Tidewell received at least \$8.3 million in Medicare reimbursement for hospice services that did not comply with Medicare requirements.

What OIG Recommends and Tidewell Comments

We recommend that Tidewell: (1) refund to the Federal Government the portion of the estimated \$8.3 million in Medicare overpayments that are within the 4-year claims reopening period; (2) exercise reasonable diligence to identify, report, and return overpayments, in accordance with the 60-day rule; and (3) strengthen its policies and procedures to ensure that hospice services comply with Medicare requirements.

In written comments on our draft report, Tidewell, through its attorney, generally disagreed with our findings. Tidewell agreed in part with our first two recommendations and did not agree with our third recommendation. Tidewell disagreed with all but five claims questioned in our draft report. Tidewell asserted that the independent medical review contractor's conclusions were inaccurate or divergent from the clinical facts present in the medical records and appears to have glossed over the critical role of the physician's certification of terminal illness. Tidewell also engaged a statistical expert who challenged the validity of our statistical sampling methodology and the resulting extrapolation.

After reviewing Tidewell's comments, we maintain that our findings and recommendations are valid. We also reviewed Tidewell's statistical expert's comments and maintain that our statistical methodology and extrapolation are statistically valid and resulted in a legally valid and reasonably conservative estimate of the amount overpaid by Medicare to Tidewell.