

Report in Brief

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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 certain hospice services provided by Vitas Healthcare Corporation of Florida (Vitas) complied with Medicare requirements.

How OIG Did This Audit

Our audit covered 50,850 claims for which Vitas received Medicare reimbursement totaling \$210 million for certain hospice services provided during the period April 2017 through March 2019. We reviewed and evaluated a stratified sample of 100 claims for compliance with selected Medicare requirements. In addition, we submitted medical records associated with the sample to an independent medical review contractor who determined whether the documents supported the hospice services billed.

Medicare Hospice Provider Compliance Audit: Vitas Healthcare Corporation of Florida

What OIG Found

Vitas did not comply with Medicare requirements for 89 of the 100 claims in our sample. Specifically, the clinical record did not support the continuous home care (CHC) level of hospice care claimed for Medicare reimbursement (68 claims), the clinical record did not support the general inpatient level of hospice care claimed for Medicare reimbursement (28 claims), and CHC services were not documented or supported in the beneficiary's clinical record (23 claims). The total exceeds 89 because 27 claims contained more than 1 error.

These improper payments occurred because Vitas' policies and procedures were not effective to ensure that it maintained documentation to support the level of care and hospice services claimed for Medicare reimbursement. On the basis of our sample results, we estimated that Vitas received at least \$140 million in improper Medicare reimbursement for hospice services that did not comply with Medicare requirements.

What OIG Recommends and Vitas Comments

We made a series of recommendations to Vitas, including that it refund to the Federal Government the portion of the estimated \$140 million in Medicare overpayments that are within the 4-year claims reopening period; identify, report and return any overpayments in accordance with the 60-day rule; and strengthen its policies and procedures to ensure that hospice services comply with Medicare requirements.

In written comments on our draft report, Vitas disagreed with some of our recommendations and partially agreed with our findings. Vitas indicated that it voluntarily refunded payments to Medicare for nine sample claims and adjusted five other claims. Although Vitas acknowledged its obligations under the 60-day rule, it reviewed our audit findings and did not agree that a refund pursuant to the rule was warranted. Vitas also did not agree with our recommendation to strengthen its policies and procedures. Lastly, Vitas stated that OIG's sampling and extrapolation were not statistically valid.

After reviewing Vitas' comments, we adjusted our determinations for seven claims for CHC services for which the clinical record supported the number of units submitted to Medicare for payment. However, all of the claims had other errors; therefore, we maintain that our findings and recommendations, as revised, are valid. We also maintain that our sampling methodology and extrapolation were statistically valid.