

Report in Brief

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



Why **OIG** Did This Audit

Under the Medicare 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 audits 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.

Our objective was to determine whether Mercy Health Visiting Nurse Services (Mercy) complied with Medicare requirements for billing home health services on selected types of claims.

How **OIG** Did This Audit

We selected a simple random sample of 100 home health claims and submitted these claims to medical review.

Medicare Home Health Agency Provider Compliance Audit: Mercy Health Visiting Nurse Services

What **OIG** Found

Mercy did not comply with Medicare billing requirements for 23 of the 100 home health claims that we reviewed. For these claims, Mercy received overpayments of \$42,466 for services provided in calendar years (CYs) 2016 and 2017. Specifically, Mercy incorrectly billed Medicare for (1) services provided to beneficiaries who were not homebound or (2) services provided to beneficiaries who did not require skilled services. On the basis of our sample results, we estimated that Mercy received overpayments of approximately \$1.1 million for CYs 2016 and 2017.

What **OIG** Recommends and Mercy Comments

We made several recommendations to Mercy, including that it (1) refund to the Medicare program the portion of the estimated \$1.1 million in overpayments for claims incorrectly billed that are within the reopening period; (2) exercise reasonable diligence to identify and return overpayments, in accordance with the 60-day rule, for claims that are outside the reopening period; and (3) exercise reasonable diligence to identify and return any additional similar overpayments outside of our audit period. We also made several procedural recommendations.

In written comments on our draft report, Mercy generally disagreed with our findings and one of our recommendations and partially agreed with two recommendations. After reviewing Mercy's response and further considering our medical review results, we maintain that our findings and recommendations are valid.