

Report in Brief

Date: November 2019

Report No. A-06-18-08003



Why OIG Did This Audit

Skilled Nursing Facility (SNF) claims include Resource Utilization Groups (RUGs) that identify whether a beneficiary received therapy and the range of therapy minutes provided. For example, SNF claims with a RUG that begins with “RU” or “RV” indicate that an ultra high or very high level of therapy was provided and that during a 7-day period, the beneficiary received 720 minutes or more, or 500 to 719 minutes of therapy, respectively. The higher the volume of therapy services provided, the higher the Medicare payment.

Our previous work found that SNFs billed for higher levels of therapy RUGs than were supported.

Our objective was to determine whether the therapy minutes associated with Highlands of Little Rock West Markham Holdings, LLC’s claims containing ultra high or very high therapy RUGs were properly supported.

How OIG Did This Audit

Our audit covered \$2.5 million in Medicare payments for 363 SNF claims for services provided from October 1, 2016, through September 30, 2017, at Highlands. We selected for review a stratified random sample of 100 SNF claims with payments totaling \$882,159.

Highlands of Little Rock West Markham Holdings, LLC: Audit of Documentation of Therapy Resource Utilization Groups

What OIG Found

Highlands did not properly support all therapy minutes because it inappropriately included unskilled time for electrical simulation therapy for 14 of the sample claims. The errors occurred because the SNF staff did not understand that unskilled time should not be included in the Minimum Data Set (MDS) minutes. As a result, the SNF was overpaid \$17,430 for the sample claims. Based on the sample results, we estimate the SNF was overpaid \$25,494 during our audit period.

What OIG Recommends and Highlands’ Comments

We recommend Highlands:

- refund the \$25,494 in questioned costs, and
- educate staff to only include skilled minutes for MDS purposes.

Highlands declined to comment on the draft report.