

Report in Brief

Date: August 2020

Report No. A-09-18-03008

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 Mission Home Health of San Diego, Inc. (Mission Home Health) complied with Medicare requirements for billing home health services on selected types of claims.

How OIG Did This Audit

Our audit covered approximately \$59 million in Medicare payments to Mission Home Health for 16,113 claims. These claims were for home health services provided in calendar years 2015 and 2016 (audit period). We selected a stratified random sample of 100 claims and submitted these claims to independent medical review to determine whether the services met coverage, medical necessity, and coding requirements.

Medicare Home Health Agency Provider Compliance Audit: Mission Home Health of San Diego, Inc.

What OIG Found

Mission Home Health did not comply with Medicare billing requirements for 32 of the 100 home health claims that we audited. For these claims, Mission Home Health received overpayments of \$61,718 for services provided during our audit period. Specifically, Mission Home Health incorrectly billed Medicare for: (1) services provided to beneficiaries who were not homebound, (2) services provided to beneficiaries who did not require skilled services, (3) claims that were assigned incorrect payment codes, and (4) claims for which documentation was inadequate to support the services provided. These errors occurred primarily because Mission Home Health did not have adequate procedures to prevent the incorrect billing of Medicare claims. On the basis of our sample results, we estimated that Mission Home Health received overpayments of at least \$5.9 million for our audit period.

What OIG Recommends and Mission Home Health Comments

We recommend that Mission Home Health: (1) refund to the Medicare program the portion of the estimated \$5.9 million overpayment for claims incorrectly billed that are within the reopening period; (2) for the remaining portion of the estimated \$5.9 million overpayment for claims that are outside of the reopening period, exercise reasonable diligence to identify and return overpayments in accordance with the 60-day rule, and identify any returned overpayments as having been made in accordance with this recommendation; (3) exercise reasonable diligence to identify and return any additional similar overpayments outside of our audit period, in accordance with the 60-day rule, and identify any returned overpayments as having been made in accordance with this recommendation; and (4) strengthen its procedures to ensure the correct billing of Medicare claims. The detailed procedural recommendations are listed in the report.

Mission Home Health stated that it disputed nearly all of our findings and did not concur with our recommendations. Mission Home Health retained a health care consultant to review most of the claims we questioned and challenged our independent medical review contractor's decisions, maintaining that nearly all of the sampled claims were billed correctly. To address the concerns, we had our medical reviewer review Mission Home Health's written comments and its consultant's report. Based on the results of that review, we reduced the sampled claims incorrectly billed from 38 to 32 and revised the related findings and recommendations. We maintain that our remaining findings and recommendations are valid, although we acknowledge Mission Home Health's right to appeal the findings.