

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 who have elected hospice care. Previous OIG audits and evaluations 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 Mission Hospice & Home Care, Inc. (Mission), complied with Medicare requirements.

How OIG Did This Audit

Our audit covered 6,142 claims for which Mission (located in San Mateo, California) received Medicare reimbursement of about \$37 million for hospice services provided from October 1, 2015, through September 30, 2017. We reviewed a random sample of 100 claims. We evaluated compliance with selected Medicare billing requirements and submitted these sampled claims and the associated medical records to an independent medical review contractor to determine whether the services met coverage, medical necessity, and coding requirements.

Medicare Hospice Provider Compliance Audit: Mission Hospice & Home Care, Inc.

What OIG Found

Mission received Medicare reimbursement for hospice services that did not comply with Medicare requirements. Of the 100 hospice claims in our sample, 66 claims complied with Medicare requirements. However, the remaining 34 claims did not comply with the requirements. Specifically, for 33 claims, the clinical record did not support the beneficiary's terminal prognosis, and for 1 claim, the clinical record did not support the level of care billed to Medicare. In addition, for a few claims, there was no evidence that beneficiaries elected hospice care before the periods covered by the sampled claims, or there was no support for physician services billed to Medicare.

Improper payment of these claims occurred because Mission's policies and procedures were not effective in ensuring that the clinical documentation it maintained supported the terminal illness prognosis, election statements were signed before the periods covered by the sampled claims, the appropriate level of care was billed, and physician services were supported. On the basis of our sample results, we estimated that Mission received at least \$10.5 million in unallowable Medicare reimbursement for hospice services.

What OIG Recommends and Mission Comments

We recommend that Mission: (1) refund to the Federal Government the portion of the estimated \$10.5 million for hospice services that did not comply with Medicare requirements and that are within the 4-year reopening period; (2) based upon the results of this audit, exercise reasonable diligence to identify, report, and return any overpayments in accordance with the 60-day rule; and (3) strengthen its policies and procedures to ensure that hospice services comply with Medicare requirements.

Mission, through its attorney, disagreed with our determinations for all but 7 of the 34 sampled claims we questioned. Mission concurred in part with our first and second recommendations and disagreed with our third recommendation. Mission stated that it had made inquiries with its Medicare contractor to refund Medicare for the seven claims it agreed were in error. In addition, Mission challenged the validity of our statistical sampling methodology and the resulting extrapolation.

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