

Report in Brief

Date: July 2021

Report No. A-09-18-03024

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 Partners In Care, Inc. (Partners), complied with Medicare requirements.

How OIG Did This Audit

Our audit covered 5,779 claims for which Partners (located in Bend, Oregon) received Medicare reimbursement of \$27.3 million for hospice services provided from January 1, 2016, through December 31, 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: Partners In Care, Inc.

What OIG Found

Partners received Medicare reimbursement for hospice services that did not comply with Medicare requirements. Of the 100 hospice claims in our sample, 53 claims complied with Medicare requirements. However, the remaining 47 claims did not comply with the requirements. Specifically, for 43 claims the clinical record did not support the beneficiary's terminal prognosis, and for the remaining 4 claims, the clinical record did not support the level of care claimed for Medicare reimbursement.

Improper payment of these claims occurred because Partners' policies and procedures were not effective in ensuring that the clinical documentation it maintained supported the terminal illness prognosis and that the appropriate level of care was provided. On the basis of our sample results, we estimated that Partners received at least \$11.2 million in unallowable Medicare reimbursement for hospice services.

What OIG Recommends and Partners Comments

We recommend that Partners: (1) refund to the Federal Government the portion of the estimated \$11.2 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.

In written comments on our draft report, Partners, through its attorney, generally did not concur with our recommendations. Partners disagreed with our findings for all but 2 of the 47 sampled claims we questioned. Partners stated that the clinical documentation it submitted for the sampled claims met Medicare requirements and that our independent medical review contractor's findings were inconsistent with hospice regulations and guidance. In addition, Partners' statistical expert challenged the validity of our statistical sampling methodology and the resulting extrapolation.

After reviewing Partners' comments, we maintain that our findings and recommendations are valid. We maintain that the clinical records that Partners submitted for the sampled claims questioned in our draft report did not meet Medicare requirements. In making that determination, our independent medical review contractor properly used the appropriate statutory and regulatory hospice criteria as the framework for its determinations. 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 Partners.