

## Report in Brief

Date: June 2021

Report No. A-09-18-03028

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 Professional Healthcare at Home, LLC (Professional Healthcare), complied with Medicare requirements.

### How OIG Did This Audit

Our audit covered 3,458 claims for which Professional Healthcare (located in Fairfield, California) received Medicare reimbursement of \$20.3 million for hospice services provided from April 1, 2016, through March 31, 2018. 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: Professional Healthcare at Home, LLC

### What OIG Found

Professional Healthcare received Medicare reimbursement for hospice services that did not comply with Medicare requirements. Of the 100 hospice claims in our sample, 79 claims complied with Medicare requirements. However, for the remaining 21 claims, the clinical record did not support the beneficiary's terminal prognosis. In addition, for 1 of these 21 claims, there was no documentation that a hospice physician or hospice nurse practitioner had a required face-to-face encounter with the beneficiary. Improper payment of these claims occurred because Professional Healthcare's policies and procedures were not effective in ensuring that the clinical documentation it maintained supported the terminal illness prognosis. On the basis of our sample results, we estimated that Professional Healthcare received at least \$3.3 million in unallowable Medicare reimbursement for hospice services.

### What OIG Recommends and Professional Healthcare Comments

We recommend that Professional Healthcare: (1) refund to the Federal Government the portion of the estimated \$3.3 million in Medicare overpayments that are within the 4-year claims reopening period; (2) based upon the results of this audit, exercise reasonable diligence to identify, report, and return overpayments in accordance with the 60-day rule; and (3) strengthen its policies and procedures to ensure that hospice services comply with Medicare requirements.

Professional Healthcare, through its attorney, stated that it disputed nearly all of our findings and did not concur with our recommendations. Professional Healthcare disagreed with our determinations for all 21 questioned sampled claims but agreed to return any overpayment for 1 claim for which the beneficiary's clinical record lacked documentation of a required face-to-face encounter. Professional Healthcare stated that our independent medical review contractor erred by consistently relying on only a limited portion of the clinical record to assess the certifying physician's terminal prognosis. In addition, Professional Healthcare's statistical expert challenged the validity of our statistical sampling methodology and the resulting extrapolation.

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