Brickell Federal Building
909 SE 1st Avenue, Suite 732
Miami, Florida 33131
(305) 536-6540 FAX (305) 536-6787

HCFA
MEDICARE • MEDICAID
Health Care Financing Administration

101 Marietta Tower, Suite 701
Atlanta, Georgia 30323
(404) 331-2329 FAX (404) 331-0104

★ ★ ★ OPERATION RESTORE TRUST ★ ★ ★

February 6, 1997

Ms. Theresa Ginnetti, Benefits Integrity Unit
Aetna Life Insurance, Co.
25400 US 19 N., Suite 135
Clearwater, FL 34623-2193

Dear Ms. Ginnetti:

The enclosed report and recommendations for adjustment of charges provides the results of the Operation Restore Trust (ORT) Skilled Nursing Facility review conducted at Integrated Health Services of Green Briar (Medicare provider number 10-5227), a skilled nursing facility located in Miami, Florida. The primary objective of the review was to evaluate the medical necessity of the care and services provided and the reasonableness of the charges and reimbursements made during the period from January 1, 1994 through December 31, 1994.

The ORT reviewers questioned $202,780 in charges reported for the 26 sample beneficiaries in our study. This amount comprises $192,505 related to unnecessary Physical, Occupational, Speech, and Respiratory services, and $10,275 of unallowable routine supply and drug services. We are recommending an adjustment of the above charges and for the FI to conduct a focused review of all OT services and supplies since the period of our review in order to recoup overpayments made to this SNF.

Following your review of this report, please prepare and submit to the Miami ORT Satellite Office a plan of corrective action to implement the recommendations made in the report. This plan should be submitted within thirty days of receipt of this letter.

If there are any questions regarding this report, please call Dewey Price at 305-536-6540.

Sincerely,

Patricia Talley
Acting HCFA Regional Administrator

Charles Curtis
Regional Inspector General - AuditFebruary 6, 1997

Brickell Federal Building
909 SE 1st Avenue, Suite 732
Miami, Florida 33131
(305) 536-6540 FAX (305) 536-6787

HCFA
MEDICARE • MEDICAID
Health Care Financing Administration

101 Marietta Tower, Suite 701
Atlanta, Georgia 30323
(404) 331-2329 FAX (404) 331-0104

★ ★ ★ OPERATION RESTORE TRUST ★ ★ ★

February 6, 1997

Mr. Marshall Kelley, Director
Division of Health Quality Assurance
Agency for Health Care Administration
2727 Mahan Drive
Tallahassee, FL 32308

Dear Mr. Kelley:

The enclosed report and recommendations for adjustment of charges provides the results of the Operation Restore Trust (ORT) Skilled Nursing Facility review conducted at Integrated Health Services of Green Briar (Medicare provider number 10-5227), a skilled nursing facility located in Miami, Florida. The primary objective of the review was to evaluate the medical necessity of the care and services provided and the reasonableness of the charges and reimbursements made during the period from January 1, 1994 through December 31, 1994.

The ORT reviewers questioned $202,780 in charges reported for the 26 sample beneficiaries in our study. This amount comprises $192,505 related to unnecessary Physical, Occupational, Speech, and Respiratory services, and $10,275 of unallowable supplies and equipment charges. Therefore, we are recommending an adjustment of the above charges. In addition, we request that the State Agency implement corrective action by the facility to ensure that rehab services and medical supplies and equipment are properly provided to residents.

Following your review of this report, please prepare and submit to the Miami ORT Satellite Office a plan of corrective action to implement the recommendations made in the report. This plan should be submitted within thirty days of receipt of this letter.

If there are any questions regarding this report, please call Dewey Price at 305-536-6540.

Sincerely,

Patricia L. Talley
Patricia Talley
Acting HCFA Regional Administrator

Charles Curtis
Regional Inspector General - Audit

TABLE OF CONTENTS

I. EXECUTIVE SUMMARY

This report provides the results of the Operation Restore Trust (ORT) survey of the Integrated Health Services of Green Briar, a hospital-based skilled nursing facility (SNF) located in Miami, Florida. The objective of the survey was to determine whether charges other than room and board, billed to the Medicare Part A Fiscal Intermediary (Intermediary) and Part B Carrier (Carrier), were allowable based on applicable Federal regulations and implementing instructions under the Medicare guidelines. For these services to be allowable they must be:

- considered a specific and effective treatment for the patient's condition;
- prescribed under the assumption that the patient's condition will improve significantly in a reasonable period of time based on the assessment made by the physician;
- reasonable in amount, frequency, and duration; and
- fully supported by the patient medical records.

A team comprising a Florida State Agency for Health Care Administration (State Agency) nurse surveyor, a Regional Health Care Administration (HCFA) nurse consultant, and an Office of Inspector General (OIG) Office of Audit Services auditor conducted an unannounced focused survey at the facility. The members of the team evaluated the services for 26 Medicare beneficiaries with aberrant charges made for the period January 1, 1994 through December 31, 1994. This period coincided with the SNF's Medicare Fiscal Year 1994 (FY 1994).

We questioned $202,780 in charges reported by the SNF in its FY 1994 Medicare Cost report. The amount questioned consisted of $192,505 of physical, occupational, speech and respiratory therapy services which were not reasonable or medically necessary, and $10,275 of routine supply and drug services reported as ancillary services. We are recommending that the Intermediary adjust the $202,780 from charges reported by the SNF in its FY 1994 cost report and identify and recoup overpayments for subsequent periods, and for the State Agency to require certain corrective actions by the facility.

REGION IV OPERATION RESTORE TRUST PILOT

FOCUSED REVIEW OF A SKILLED NURSING FACILITY

II. BACKGROUND

The Secretary of the Department of Health and Human Services and the President initiated Project ORT. This innovative, collaborative project was designed to address growing concerns over rising health care costs. A review of Departmental records indicate that over the last 10 years, the following segments of the health care industry have experienced a surge in health care fraud:

- o home health,
- o nursing homes,
- o hospice, and
- o durable medical equipment.

Departmental records further disclosed that the States of Texas, California, Illinois, New York, and Florida receive annually over 40 percent of all Medicare and Medicaid funds paid to the above health care segments,. As a result, these States and the above health care segments were chosen as targets of the ORT 23-month pilot project.

Within the Department of Health and Human Services ORT has been a joint effort by HCFA, the OIG, and the Administration on Aging. These components are focusing attention on Program vulnerabilities identified though investigations and audits.

HCFA's Bureau of Data Management Services (BDMS) identified certain SNFs in Florida as aberrant according to their billings. The method used to identify these providers was to evaluate the universe of SNF admissions in each state during CY 1994. Data for all SNF claims was summarized first by beneficiary, and then by SNF. Key statistical data included total claims per beneficiary, allowed dollars per stay, line items or services per number of beneficiaries, average dollars and claims per stay, and average dollars per day. BDMS generated a listing of SNFs with high reimbursement amounts per day and per stay. The listing of SNFs was manually scanned and 14 were judgmentally selected based on total highest reimbursement.

In addition to these 14 SNFs, we requested the two principal fiscal intermediaries in Florida (Aetna and Blue Cross) to each identify 3 SNFs for inclusion in this project based upon their data, complaints, and experience with SNF providers.

Integrated Health Services of Green Briar was one of the 14 SNFs judgmentally selected for review and has participated in the Medicare program since May 8, 1988. The facility had 185 beds during FY 1994; of this number, 99 beds participated in the SNF activities.

III. SCOPE OF REVIEW

The survey was conducted by a team comprising a nurse surveyor from the State Agency, a nurse consultant from HCFA , and an auditor from the OIG Office of Audit Services. This HCFA directed survey was conducted using HCFA's review protocols rather than the OIG's policies and procedures. Accordingly, the OIG's work was in compliance with generally accepted government auditing standards only in relation to the quantification of the unallowable services identified by other members of the team.

The objective of the survey was to determine whether charges other than room and board, billed to the Intermediary and Carrier, were allowable based on applicable Federal regulations and implementing instructions under the Medicare guidelines. Primarily we wanted to determine whether unnecessary care was provided to the 26 beneficiaries in our sample, for whom the Integrated Health Services of Green Briar Unit billed Medicare $1,519,193 during FY 1994.

The approach used was to identify all services billed to Medicare Part A, Medicare Part B, and Medicaid cross-over claims for each of the 26 beneficiaries in our sample during their stay at the SNF between January 1994 and December 1994. This approach was adopted because many providers, other than the SNF bill separately for services to the SNF patients, e.g., podiatrists, portable x-ray suppliers, therapy providers and DME suppliers. These claims go to various Medicare contractors and to Medicaid, and are rarely, if ever associated with each other or the SNF's bills.

Using the team concept, the State Agency and HCFA nurses identified Medicare funded services which were either not reasonable or necessary, and the OIG auditor quantified the charges associated with the services. The beneficiaries' medical records and related documentation were reviewed to determine the medical necessity of charged services; specifically, were the services: (i) recorded in the medical records, (ii) ordered by a physician, (iii) rendered by qualified personnel, and (iv) appropriate considering the physicians' diagnosis and the residents' physical/mental condition. The SNF's accounting records and supporting documentation were reviewed to determine: (i) the bases for charges reported to Medicare, and (ii) the amount of charges associated with questioned services.

Field work was performed at the SNF's offices in Miami, Florida during the period July 15 through July 19, 1996.

IV. FINDINGS AND RECOMMENDATIONS

Based on the survey results, we questioned $202,780 in charges reported by Integrated Health Services of Green Briar in its FY 1994 Medicare Cost Report. The amount questioned includes therapy services which were not reasonable or medically necessary, and routine supply and drug services reported as ancillary services. We are recommending adjustment of the questioned charges.

QUESTIONED CHARGES

THERAPIES:	
Occupational	$136,169
Physical	36,142
Speech	20,119
Respiratory	75
Subtotal	192,505
SUPPLIES	10,191
DRUGS	84
Total	$202,780

OCCUPATIONAL, PHYSICAL AND SPEECH THERAPY SERVICES

We questioned $192,430 of occupational, physical and speech therapy services provided 22 of the 26 beneficiaries included in our sample. Under paragraph 1861(h)(3) of the Social Security Act, these services are covered under Medicare Part A when provided in accordance with a physician's orders and by or under the supervision of a qualified therapist. The Medicare Intermediary Manual at paragraph 3132 (MIM 3132) states that the ordered therapies provided in a SNF must be reasonable and necessary for the treatment of the beneficiary's illness or injury. The questioned charges did not meet the reimbursement criteria.

FINDING #1

Occupational Therapy Services

We questioned $136,169 of occupational therapy charged to 22 of the 26 beneficiaries, or 50% of the $274,113 that Green Briar was reimbursed for OT for the period of our review. In order to be covered under Medicare Part A; OT services must be prescribed by a physician, be performed by a qualified therapist, and be reasonable and necessary for the treatment of the individual's illness or injury. Occupational therapy designed to improve function is considered reasonable and necessary only where an expectation exists that the therapy will result in a significant practical improvement in the individual's level of functioning within a reasonable period of time.

The questioned OT services provided the 22 beneficiaries did not meet one or more of the above criteria. Specific reasons for questioning the charges follow:

o Documentation in medical records did not support therapy services charged to the residents.

- o Charges related to services provided groups of residents rather than individual residents.

- o Charges related to routine family conferences for residents who were not being discharged from the facility.

- o Charges related to initial assessment of residents.

RECOMMENDATIONS

We recommend that the Intermediary should:

- o Adjust the of $136,169 from OT charges reported by the SNF on its FY 1994 cost report.

- o Conduct a focused review of all OT services provided at Green Briar since the period of our review.

We recommend that the State Agency should:

- ● Ensure via a Corrective Action Plan (CAP) that OT services are properly ordered, documented, and appropriately performed to meet the medical needs of the residents.

FINDING #2

Physical Therapy Services

We questioned $36,142 of physical therapy (PT) charged to 22 of the 26 beneficiaries, or 12% of the $308,776 that Green Briar was reimbursed for PT during the period of our review. In order to be covered under Medicare Part A, PT services must relate directly and specifically to an active written treatment regimen, established by the physician or by the physical therapist providing the services and must be reasonable and necessary to the treatment of the individual's illness or injury (MIM 3101.8). To be considered reasonable and necessary the following conditions must be met:

- o The services must be considered a specific and effective treatment for the patient's condition. There must be an expectation that the patient's condition will improve significantly in a reasonable period of time based on the assessment made by the physician.

- o The amount, frequency, and duration of the services must be reasonable.

The questioned PT services provided the 22 beneficiaries did not meet one or more of the above criteria. Specific reasons for questioning the charges follow:

- o Reported therapies were not supported in the patients' medical records.
- o Charges related to services which were not medically necessary.
- o Charges related to services provided groups of residents rather than individual residents.
- o Charges related to facility conferences regarding residents' condition rather than actual therapy services provided the residents.
- o Physician's order for therapy were not in the patients' records.

RECOMMENDATIONS

We recommend that the Intermediary adjust the $36,142 from PT charges reported by the SNF on its FY 1994 cost report.

FINDING #3

Speech Therapy Services

We questioned $20,119 of speech therapy services provided 13 of the 26 beneficiaries included in our sample. Speech pathology services are those services necessary for the diagnosis and treatment of speech and language disorders which result in communication disabilities. They must be related directly and specifically to written treatment regimen established by the physician (or speech pathologist providing the services). The services must be reasonable and necessary to the treatment of the individual's illness or injury. To be considered reasonable and necessary the following conditions must be met:

- o The services must be considered a specific and effective treatment for the patient's condition.
- o The services must be of such a level of complexity and sophistication, or the patient's condition must be such that the services required can be safely and effectively performed only by or under the supervision of a qualified speech pathologist.
- o There must be an expectation that the patient's condition will improve significantly in a reasonable period of time based on the assessment made by the physician.
- o The amount, frequency, and duration of the services must be reasonable.

The questioned ST services provided the 13 beneficiaries did not meet one or more of the above

casts, and other devices used for the reduction of fractures and dislocations. The questioned charges were for items such as underpads, diapers, wheel chair rentals, and personal care supplies. We considered these items routine supplies in the skilled nursing setting rather than ancillary supplies.

RECOMMENDATIONS

We recommend that the Intermediary should:

- Adjust the $10,191 from supply charges reported by the SNF on its FY 1994 cost report.
- Conduct a focused review of all supplies provided at Green Briar since the period of our review.

We recommend that the State Agency should:

- Ensure via a Corrective Action Plant that needed supplies and equipment are provided by the facility to its residents.

DRUGS

We questioned $84 of drugs charged to 1 of 26 beneficiaries included in our sample. The questioned charge was for a non-prescription pharmaceutical item which we believed was a routine item for a skilled nursing facility.

RECOMMENDATION

We recommend that the Intermediary adjust the $84 of drug charges reported by the SNF on its FY 1994 cost report.