DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of Inspector General
Offices of Audit Services

Region VII
601 East 12th Street
Room 284A
Kansas City, Missouri 64106

JAN 3 0 2004

Report Number: A-07-03-00157

Ms. Cindy Yound
Director of Cardiac Rehabilitation Services
Butler County Health Care Center
372 South 9th Street
David City, Nebraska 68632

Dear Ms. Yound:

Enclosed are two copies of the U.S. Department of Health and Human Services (HHS), Office of Inspector General (OIG), Office of Audit Services' (OAS), final report entitled "Review of Cardiac Rehabilitation Services at Butler County Health Care Center, David City, Nebraska." A copy of this report will be forwarded to the action official noted below for review and any action deemed necessary.

Final determination as to actions taken on all matters reported will be made by the HHS action official named below. We request that you respond to the HHS action official within 30 days from the date of this letter. Your response should present any comments or additional information that you believe may have a bearing on the final determination.

In accordance with the principles of the Freedom of Information Act 5 U.S.C.552, as amended by Public Law 104-231, OIG, OAS reports issued to the Department's grantees and contractors are made available to members of the press and general public to the extent information contained therein is not subject to exemptions in the Act which the Department chooses to exercise. (See 45 CFR Part 5.) As such, within ten business days after the final report is issued, it will be posted on the world-wide-web at http://oig.hhs.gov.

To facilitate identification, please refer to report number A-07-03-00157 in all correspondence relating to this report.

Sincerely yours,

James P. Aasmundstad
Regional Inspector General
for Audit Services

Enclosures - as stated

**Direct Reply to HHS Action Official:**
**HHS ACTION OFFICIAL**

Joe Tilghman, Regional Administrator
Centers for Medicare & Medicaid Services
U.S. Department of Health and Human Services
601 East 12th Street, Room 235
Kansas City, MO 64106

Department of Health and Human Services

# OFFICE OF INSPECTOR GENERAL

# REVIEW OF CARDIAC REHABILITATION SERVICES AT BUTLER COUNTY HEALTH CARE CENTER, DAVID CITY, NEBRASKA


**JANUARY 2004**
**A-07-03-00157**

# *Office of Inspector General*

**http://oig.hhs.gov/**

The mission of the Office of Inspector General (OIG), as mandated by Public Law 95-452, as amended, is to protect the integrity of the Department of Health and Human Services (HHS) programs, as well as the health and welfare of beneficiaries served by those programs. This statutory mission is carried out through a nationwide network of audits, investigations, and inspections conducted by the following operating components:

## *Office of Audit Services*

The OIG's Office of Audit Services (OAS) provides all auditing services for HHS, either by conducting audits with its own audit resources or by overseeing audit work done by others. Audits examine the performance of HHS programs and/or its grantees and contractors in carrying out their respective responsibilities and are intended to provide independent assessments of HHS programs and operations in order to reduce waste, abuse, and mismanagement and to promote economy and efficiency throughout the Department.

## *Office of Evaluation and Inspections*

The OIG's Office of Evaluation and Inspections (OEI) conducts short-term management and program evaluations (called inspections) that focus on issues of concern to the Department, the Congress, and the public. The findings and recommendations contained in the inspections reports generate rapid, accurate, and up-to-date information on the efficiency, vulnerability, and effectiveness of departmental programs.

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The OIG's Office of Investigations (OI) conducts criminal, civil, and administrative investigations of allegations of wrongdoing in HHS programs or to HHS beneficiaries and of unjust enrichment by providers. The investigative efforts of OI lead to criminal convictions, administrative sanctions, or civil monetary penalties. The OI also oversees State Medicaid fraud control units, which investigate and prosecute fraud and patient abuse in the Medicaid program.

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The Office of Counsel to the Inspector General (OCIG) provides general legal services to OIG, rendering advice and opinions on HHS programs and operations and providing all legal support in OIG's internal operations. The OCIG imposes program exclusions and civil monetary penalties on health care providers and litigates those actions within the Department. The OCIG also represents OIG in the global settlement of cases arising under the Civil False Claims Act, develops and monitors corporate integrity agreements, develops model compliance plans, renders advisory opinions on OIG sanctions to the health care community, and issues fraud alerts and other industry guidance.

# *Notices*

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In accordance with the principles of the Freedom of Information Act, 5 U.S.C. 552, as amended by Public Law 104-231, Office of Inspector General, Office of Audit Services, reports are made available to members of the public to the extent information contained therein is not subject to exemptions in the Act. (See 45 CFR Part 5.)

## OAS FINDINGS AND OPINIONS

The designation of financial or management practices as questionable or a recommendation for the disallowance of costs incurred or claimed as well as other conclusions and recommendations in this report represent the findings and opinions of the HHS/OIG/OAS. Authorized officials of the awarding agency will make final determination on these matters.

# EXECUTIVE SUMMARY

## BACKGROUND

This review is part of a nationwide analysis of Medicare reimbursement for outpatient cardiac rehabilitation services. The analysis was requested by the Administrator of the Centers for Medicare & Medicaid Services (CMS) to determine the level of provider compliance with national Medicare outpatient cardiac rehabilitation policies.

## OBJECTIVE

The overall objective of our review was to determine whether Medicare properly reimbursed Butler County Health Care Center (David City), David City, Nebraska for outpatient cardiac rehabilitation services. Specifically, we determined whether:

- David City's policies and procedures reflected Medicare cardiac rehabilitation coverage requirements for direct physician supervision, "incident to" services, and Medicare covered diagnoses.
- Payments to David City for outpatient cardiac rehabilitation services provided to Medicare beneficiaries during Calendar Year (CY) 2001 were for Medicare covered diagnoses, were supported by adequate documentation, and were otherwise allowable for reimbursement.

## RESULTS OF REVIEW

Even though physician supervision is assumed to be met in an outpatient hospital department, David City did not designate a physician to directly supervise the services provided by its cardiac rehabilitation program. In addition, contrary to current Medicare requirements, we could not identify the physician professional services to which the cardiac rehabilitation services were provided "incident to." With regard to the $8,139 of Medicare claims paid for the 12 beneficiaries receiving services during CY 2001, no other problems were noted.

The issues and Medicare payments are part of a larger nationwide review of outpatient cardiac rehabilitation service claims and may be included in a nationwide roll-up report of all providers reviewed.

## RECOMMENDATIONS

We recommend that David City:

- Work with its Medicare fiscal intermediary (FI), Blue Cross Blue Shield of Nebraska (BCBS of Nebraska), to ensure that the outpatient cardiac rehabilitation program is being conducted in accordance with the Medicare coverage requirement for direct physician supervision, and for the requirement that the services be provided "incident to" a physician's professional service.

- Implement controls to ensure that medical records documentation is maintained to support physician outpatient cardiac rehabilitation services.

## DAVID CITY'S COMMENTS

David City has taken positive action to address our recommendations. They have discussed the issues of "incident to" and direct physician supervision with the FI and believe there is "contradictory instruction" between several manual provisions pertaining to physician supervision. Furthermore, they mentioned several actions implemented after our audit that more fully documents their belief that the cardiac rehabilitation program is being conducted in accordance with Medicare requirements. In addition, they substantially improved their standardized form for documenting cardiac rehabilitation services, especially physician involvement. David City's response is included in its entirety as Appendix B.

## OIG'S RESPONSE

We commend David City for taking positive action in addressing our recommendations. They should continue to work with their FI concerning the issues of "incident to" and direct physician supervision.

## TABLE OF CONTENTS

# INTRODUCTION

## BACKGROUND

### Medicare Coverage

The Medicare program, established by title XVIII of the Social Security Act (Act), provides health insurance to people aged 65 and over, the disabled, people with end stage renal disease, and certain others who elect to purchase Medicare coverage. The Medicare program is administered by CMS. CMS currently covers Phase II outpatient cardiac rehabilitation programs conducted in specialized, free-standing cardiac rehabilitation clinics and in hospital outpatient departments under the "incident to" benefit (section 1861(s)(2)(A) of the Act).

Medicare coverage policy for cardiac rehabilitation services is found in section 35-25 of the Medicare Coverage Issues Manual. Under Medicare, outpatient cardiac rehabilitation is considered reasonable and necessary only for patients with a clear medical need, who are referred by their attending physicians, and (1) have a documented diagnosis of acute myocardial infarction within the preceding 12 months, (2) have had coronary artery bypass graft surgery, and/or (3) have stable angina pectoris. Services provided in connection with the cardiac rehabilitation program may be considered reasonable and necessary for up to 36 sessions, usually 3 sessions per week in a single 12-week period. Each cardiac rehabilitation session is considered to be one unit of service.

Cardiac rehabilitation is provided by nonphysician personnel, who are trained in both basic and advanced life support techniques and exercise therapy for coronary disease, under the direct supervision of a physician. Direct supervision means that a physician must be in the exercise area and immediately available and accessible for an emergency at all times the exercise program is conducted. It does not require a physician to be physically present in the exercise room itself. For outpatient therapeutic services provided in a hospital, the Medicare Intermediary Manual states, "The physician supervision requirement is generally assumed to be met where the services are performed on hospital premises."

In order to be covered under the "incident to" benefit in an outpatient hospital department, services must be furnished as an integral, although incidental, part of the physician's professional service in the course of diagnosis or treatment of an illness or injury. This does not mean that each occasion of service by a nonphysician need also be the occasion of the actual rendition of a personal professional service by the physician. However, during any course of treatment rendered by auxiliary personnel, the physician must personally see the patient periodically and sufficiently often to assess the course of treatment and the patient's progress and, where necessary, to change the treatment program.

## Cardiac Rehabilitation Programs

Cardiac rehabilitation consists of comprehensive programs involving medical evaluations, prescribed exercise, cardiac risk factor modification, education, and counseling. Cardiac rehabilitation programs are typically divided into three phases, as follows:

- Phase I. Phase I rehabilitation is initiated in the acute convalescent period following a cardiac event during the hospital phase of treatment. This phase of cardiac rehabilitation is considered part of the hospital stay and is covered as part of the Medicare diagnosis-related group allowance for the hospital stay.

- Phase II. Phase II begins with a physician's prescription (referral) after the acute convalescent period and after it has been determined that the patient's clinical status and capacity will allow for safe participation in an individualized progressive exercise program. This phase requires close monitoring and is directed by a physician who is on-site. Phase II outpatient cardiac rehabilitation is covered by Medicare.

- Phase III. Phase III begins after completion of Phase II and involves a less intensively monitored aerobic exercise program. Phase III level programs are considered maintenance and are not covered by Medicare.

Medicare reimburses outpatient hospital departments for cardiac rehabilitation services under the outpatient prospective payment system. Cardiac rehabilitation services are paid by a Medicare FI based on an ambulatory payment classification. The FI for David City is BCBS of Nebraska. For CY 2001, David City provided outpatient cardiac rehabilitation services to 12 Medicare beneficiaries and received $8,139 in Medicare reimbursements for these services.

## OBJECTIVE, SCOPE, AND METHODOLOGY

### Objective

Our review is part of a nationwide analysis of Medicare reimbursement for outpatient cardiac rehabilitation services. The analysis was requested by the CMS Administrator to determine the level of provider compliance with Medicare coverage requirements for outpatient cardiac rehabilitation services. As such, the overall objective of our review was to determine whether Medicare properly reimbursed David City for outpatient cardiac rehabilitation services. Specifically, we determined whether:

- David City's policies and procedures reflected Medicare cardiac rehabilitation coverage requirements for direct physician supervision, "incident to" services, and Medicare covered diagnoses.

- Payments to David City for outpatient cardiac rehabilitation services provided to Medicare beneficiaries during CY 2001 were for Medicare covered diagnoses, were supported by adequate documentation, and were otherwise allowable for reimbursement.

**Scope**

To accomplish these objectives, we reviewed David City's current policies and procedures and interviewed staff to gain an understanding of David City's management of its outpatient cardiac rehabilitation program and the billing procedures for cardiac rehabilitation services. In addition, we reviewed David City's cardiac rehabilitation services documentation, inpatient medical records, physician's referrals, and Medicare reimbursement data for all of the beneficiaries who received outpatient cardiac rehabilitation services from David City during CY 2001. Specifically, we reviewed David City's outpatient cardiac rehabilitation procedures for and controls over physician supervision, cardiac rehabilitation staffing, maintenance and availability of advanced cardiac life support equipment, and documentation of services provided and billed to Medicare.

We selected all 12 Medicare beneficiaries who received outpatient cardiac rehabilitation services from David City during CY 2001. We reviewed all Medicare paid claims for cardiac rehabilitation services provided to these 12 beneficiaries during CY 2001.

Our audit was conducted in accordance with generally accepted government auditing standards.

**Methodology**

We compared David City's current policies and procedures for outpatient cardiac rehabilitation to national Medicare coverage requirements and identified any differences. Also, we documented how David City's staff provided direct physician supervision for cardiac rehabilitation services and verified that David City's cardiac rehabilitation program personnel were qualified in accordance with Medicare requirements. Lastly, we verified the availability of advanced cardiac life support equipment in the cardiac rehabilitation exercise area.

For each sampled beneficiary, we obtained the CY 2001 Medicare outpatient cardiac rehabilitation paid claims and lines of service and compared this data to David City's outpatient cardiac rehabilitation service documentation. We reviewed the medical records maintained by David City's cardiac rehabilitation program to determine whether services were provided "incident to" a physician's professional service. We also verified the accuracy of the diagnoses identified on the Medicare claims to each beneficiary's inpatient medical record, the physician's referral form, and David City's outpatient cardiac rehabilitation medical record.

In addition, we determined if Medicare reimbursed David City beyond the maximum number of services allowed. We obtained Medicare payment history data for our beneficiaries, identified any claims related to the outpatient cardiac rehabilitation services provided by David City, and ensured that services were not billed separately to Medicare.

In accordance with the intent of CMS's request for a nationwide analysis, we determined the extent to which providers were currently complying with existing Medicare coverage requirements. During April 2003, we performed fieldwork at David City, a rural 25-bed hospital that was operated by the county government, and subsequently at the Kansas City Regional Office.

# RESULTS OF REVIEW

Even though physician supervision is assumed to be met in an outpatient hospital department, David City did not designate a physician to directly supervise the services provided by its cardiac rehabilitation staff. In addition, contrary to current Medicare requirements, we could not identify the physician professional services to which the cardiac rehabilitation services were provided "incident to." From our specific claims review of all 12 beneficiaries receiving outpatient cardiac rehabilitation services during CY 2001, David City was paid $8,139.

See Appendix A for a SUMMARY OF REVIEW.

## PHYSICIAN INVOLVEMENT IN OUTPATIENT CARDIAC REHABILITATION

### Direct Physician Supervision

Medicare requirements for outpatient cardiac rehabilitation state that supervision means that a physician must be in the exercise area and immediately available and accessible for an emergency at all times the exercise program is conducted. The physician supervision requirement is generally assumed to be met where the services are performed on hospital premises.

At David City, no physician was actually designated to provide direct physician supervision to the cardiac rehabilitation exercise area, nor was there documentation in the cardiac rehabilitation program's medical records to support physician supervision during exercise sessions. On a day-to-day basis, a registered nurse staffed and supervised the cardiac rehabilitation program.

David City's outpatient cardiac rehabilitation policies and procedures did not provide any support that the medical director was responsible for discussing and resolving patient care, treatment, and service management issues with respective medical staff. There did not appear to be a requirement that the medical director provide direct physician supervision or be in the exercise area and immediately available for an emergency at all times the exercise program is being conducted.

David City utilized a "code-blue" emergency response team of physicians and staff to respond to any medical emergency that occurred throughout the hospital, including the cardiac rehabilitation exercise area even though there had been no emergencies for several years.

Although Medicare policy provides that physician supervision is assumed to be met in an outpatient hospital department, we believe that David City should work with BCBS of Nebraska

to ensure that the reliance placed on the emergency response team to provide this supervision specifically conforms to Medicare requirements.

### "Incident To" Physician Services

Medicare covers Phase II cardiac rehabilitation under the "incident to" benefit. In an outpatient hospital department, the "incident to" benefit does not require that a physician perform a personal professional service on each occasion of service by a nonphysician. However, during any course of treatment rendered by auxiliary personnel, the hospital physician must personally see the patient, periodically and sufficiently often, to assess the course of treatment and the patient's progress and, where necessary, to change the treatment program.

At David City, we could not identify the physician professional services to which the cardiac rehabilitation services were provided "incident to." David City's policies and procedures did not provide a concise set of responsibilities between the directing physicians and cardiac rehabilitation staff concerning physician professional services.

According to the outpatient cardiac rehabilitation medical records, the attending physicians at the hospital conducted the initial entrance examination; however, the registered nurse who staffed the cardiac rehabilitation unit conducted the ongoing assessments. In addition, the cardiac nurse administered the discharge of the patients from the cardiac rehabilitation program. It appears that the registered nurse contacted the attending physicians only when a determination of the new onset of signs/symptoms was made during the ongoing assessments.

From our review of David City's outpatient cardiac rehabilitation medical records, we could not locate evidence of any hospital physician professional services rendered to the patients participating in the program. We found that physicians did review and approve progress reports, which the cardiac rehabilitation nurse prepared. Although required under the "incident to" benefit, there was no documentation to support that a physician personally saw the patient, periodically and sufficiently often, to assess the course of treatment and the patient's progress and, where necessary, to change the treatment program. Accordingly, we believe that David City should document the physician's visit with their patient to satisfy the requirements of an "incident to" service.

## MEDICARE COVERED DIAGNOSES AND DOCUMENTATION

Medicare coverage criteria considers cardiac rehabilitation services reasonable and necessary only for patients with a clear medical need who are referred by their attending physician, and (1) have a documented diagnosis of acute myocardial infarction within the preceding 12 months, (2) have had coronary artery bypass graft surgery, and/or (3) have stable angina pectoris. Medicare reimburses providers for Phase II outpatient cardiac rehabilitation services and allows one unit of service to be billed per cardiac rehabilitation session. Documentation for these services must be maintained in the patients' medical records.

We included all 12 of the David City Medicare beneficiaries who received Medicare covered cardiac rehabilitation during the CY 2001 in our review. All of the beneficiaries had a Medicare covered diagnosis. All services provided by David City were properly documented.

We found no other problems or discrepancies in the beneficiary's files. All supporting documentation was available and complete. We selected all the beneficiaries who received outpatient cardiac rehabilitation services during CY 2001, which consisted of a total of 12 beneficiaries. For the 12 beneficiaries, 5 had a myocardial infarction and 7 had a coronary artery bypass. All of the beneficiaries had a diagnosis of either acute myocardial infarction or coronary artery bypass graft surgery, and therefore all had a Medicare covered diagnosis.

The physician referral was also obtained for each beneficiary, according to the above requirements. From the cardiac rehabilitation documentation, we identified the total number of rehabilitation sessions that were provided for each beneficiary. None of the beneficiaries received more than 36 sessions.

## RECOMMENDATIONS

We recommend that David City:

- Work with its Medicare FI, BCBS of Nebraska, to ensure that the outpatient cardiac rehabilitation program is being conducted in accordance with the Medicare coverage requirement for direct physician supervision, and for the requirement that the services be provided "incident to" a physician's professional service.

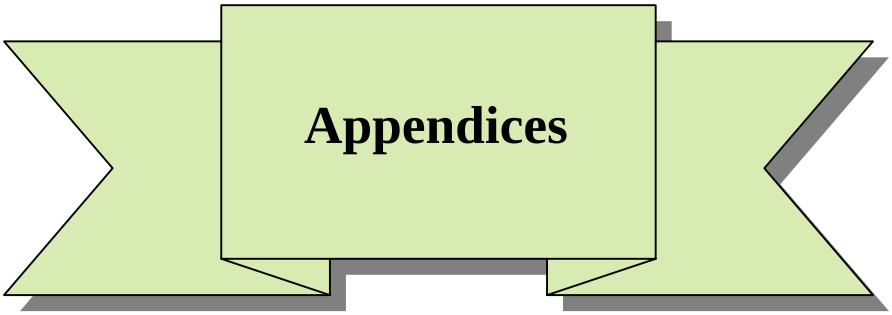
- Implement controls to ensure that medical records documentation is maintained to support physician outpatient cardiac rehabilitation services.

## DAVID CITY'S COMMENTS

David City has taken positive action to address our recommendations. They have discussed the issues of "incident to" and direct physician supervision with the FI and believe there is "contradictory instruction" between several manual provisions pertaining to physician supervision. Furthermore, they mentioned several actions implemented after our audit that more fully documents their belief that the cardiac rehabilitation program is being conducted in accordance with Medicare requirements. In addition, they substantially improved their standardized form for documenting cardiac rehabilitation services, especially physician involvement. David City's response is included in its entirety as Appendix B.

## OIG'S RESPONSE

We commend David City for quickly taking positive action in addressing our recommendations. They should continue to work with their FI concerning the issues of "incident to" and direct physician supervision.


Appendices

**APPENDIX A**

## SUMMARY OF REVIEW

The following table summarizes the errors identified during testing of 12 Medicare beneficiaries who received outpatient cardiac rehabilitation services from David City during CY 2001. The total Medicare paid for the 12 beneficiaries services received was $8,139. We found no other problems. The results of our review may be included in a nationwide roll-up report of outpatient cardiac rehabilitation services.

| Medicare Covered Diagnosis | Number of Beneficiaries with Diagnosis | Beneficiaries Not Having Medical Documentation Supporting the Medicare Covered Diagnosis | Number of Services not Billed |
|---|---|---|---|
| **Myocardial Infarction** | 5 | 0 | 0 |
| **Coronary Artery Bypass** | 7 | 0 | 0 |
| **Stable Angina Pectoris** | 0 | 0 | 0 |
| **Total** | **12** | **0** | **0** |

Appendix B
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Butler County
**Health Care Center**

*Helping people to achieve and maintain good health.*

December 5, 2003

Mr. James P. Aasmundstad
Regional Inspector General for Audit Services
Region VII
601 East 12th Street, Room 284A
Kansas City, MO 64106

RE: Report Number A-07-03-00157

Dear Mr. Aasmundstad:

This letter responds to yours dated November 7, 2003, in which you enclosed two copies of the U.S. Department of Health and Human Services (HHS), Office of Inspector General, Office of Audit Services' (OAS) draft report entitled *"Review of Cardiac Rehabilitation Services at Butler County Health Care Center, David City, Nebraska."* You have requested that Butler County Health Care Center (BCHHC) provide you with written comments within 30 days from the date of your letter. You have also asked for information on the status of any action to be taken in response to your recommendations.

The OAS Report contained two related findings and recommendations for BCHCC:

**Direct Physician Supervision**

**Findings: "At David City, no physician was actually designated to provide direct physician supervision to the cardiac rehabilitation exercise area, nor was there documentation in the cardiac rehabilitation program's medical records to support physician supervision during exercise sessions. . . . David City's outpatient cardiac rehabilitation policies and procedures did not provide support that the medical director was responsible for discussing and resolving patient care, treatment, and service management issues with respective medical staff. There did not appear to be a requirement that the medical director provide direct physician supervision or be in the exercise area and immediately available for an emergency at all times the exercise program is being conducted.**

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BCHCC is not aware of any regulatory or CMS manual requirement for designation of a particular physician to provide direct physician supervision for the cardiac rehabilitation exercise area. Indeed, there is somewhat of a contradiction between two Medicare manual provisions pertaining to physician supervision of cardiac rehabilitation services. While some of the provisions of the Medicare Coverage Issues Manual, §35-25, require the immediate availability of a supervising physician at all times that an exercise program is conducted, section 3112.4A of the Medicare Intermediary Manual and section 20.4.1 of the Medicare Benefit Policy Manual state that "The physician supervision requirement is generally assumed to be met where the services are performed on hospital premises." This latter provision seems to suggest that BCHCC has been in full compliance with this supervision requirement.

**Recommendation: "[W]e believe that David City should work with BCBS of Nebraska to ensure that the reliance placed on the emergency response team to provide this supervision specifically conforms to Medicare requirements."**

BCHCC has discussed with BCBS of Nebraska the requirements for coverage of outpatient cardiac rehabilitation services. A medical director for cardiac rehabilitation was in place at the time of the OAS audit, but there was no formal record of the appointment at that time. Dr. Gerald Luckey was formally recognized as the medical director of cardiac rehabilitation at a meeting of the BCHCC Medical Staff on December 3, 2003. A copy of the Medical Staff Minutes of that date are attached as Exhibit 1. A policy has been adopted by BCHCC identifying the responsibilities of the medical director of cardiac rehabilitation. That policy is attached as Exhibit 2.

BCHCC is a 25-bed, county-owned, community hospital, qualified under Medicare's critical access hospital program. While it does not have 24-hour on-site emergency room staffing, its facility has an attached medical office building which is staffed during business hours with physicians and mid-level practitioners. Cardiac rehabilitation services are scheduled at BCHCC only when there are physicians in the BCHCC facilities. The cardiac rehabilitation exercise area is located 400 feet from the attached medical office building. In the event of an emergency in the cardiac rehabilitation exercise area, the emergency response team, including a physician on the BCHCC Medical Staff, is available to respond immediately. This arrangement has been confirmed by BCBS of Nebraska as meeting the requirement that a physician be immediately available and accessible.

**"Incident To" Physician Services**

**Finding: "[W]e could not identify the physician professional services to which the cardiac rehabilitation services were provided 'incident to.'**

Historically, the physician's ongoing supervision of the course of cardiac rehabilitative treatment has been maintained in the medical records of the private medical practice group that leases space in the attached medical office building.

**Recommendation: "We believe that David City should document the physician's visit with their patient to satisfy the requirements of an "incident to" service."**

There appears to be contradictory instruction from CMS on the level of physician involvement necessary to support the payment of "incident to" services provided in a hospital setting. See Medicare Intermediary Manual §3112.4A, Medicare Hospital Manual §230.4 and Medicare Carrier Manual §2050. Nevertheless, BCHCC has discussed the compliance standards with BCBS of Nebraska and made certain procedural adjustments in the documentation of physician services.

The standardized form for documentation of cardiac rehabilitation services provided by BCHCC has been revised to more clearly require documentation of prior cardiac services and diagnosis, the physician's order for outpatient cardiac rehabilitation services and the frequency of reports to be provided to the physician over the course of treatment. The revised form is attached as Exhibit 3. The attending physician's involvement in cardiac rehabilitation treatment will be evident under the revised form. The medical director for cardiac rehabilitation will be responsible to verify periodically that the attending physician's involvement is properly documented.

On balance, recognizing that there is nationwide confusion concerning the issues raised in the draft report, BCHCC is pleased that only two issues were identified in the OAS' draft report, and these two issues have been identified in each of the published OAS reports on other provider reviews conducted as a part of the nationwide analysis of Medicare reimbursement for outpatient cardiac rehabilitation services requested by the Administrator of CMS.

Sincerely,

Donald T. Naiberk
Chief Executive Officer

Butler County Health Care Center
David City, NE

## FUNCTIONAL LEVEL REPORT FOR CARDIAC REHAB

Dr. _____

Date _____ SOC _____ Visits _____

Resting Vital Signs _____ Exercise Vital Signs _____

Start Weight _____ Present Weight _____ THR _____

ECG Summary _____

_____

Exercise Summary _____

_____

_____

_____

Other Comments _____

_____

_____

Discharge Plan _____

_____

_____

Cardiac Rehab Signature _____

Clinic visit needed prior to discharge? ____Yes ____No

____ Agree with discharge plan. Proceed with above.
____ Disagree with discharge plan. Make these adjustments: _____

_____

Progress Notes _____

_____

Orders _____

_____

Physician Signature _____

Butler County Health Care Center
**MEDICAL STAFF MINUTES**
Wednesday, December 3, 2003

**PRESENT**: Dr. V. Thoendel, Dr. M. Carlson, Don Naiberk, Julie Mach, Sue Birkel, Kathy Bongers, Cindy Neesen.

The meeting was called to order at 12:25 p.m.
The November 5, 2003 minutes were approved as submitted.

**CEO REPORT**
Building Project
Yesterday the County Board of Supervisors passed the issuance of bonds for the building project. With this issuance, we will proceed with Siemens agreement and proposal. They will start this month, and want to be done by May 2004. Davis Design will be here on December 17th and will meet with the physicians at noon.

**CARDIAC REHAB UPDATE**
Cindy Yound demonstrated the capabilities of the new cardiac rehab monitor. OIG audited our cardiac rehab program and made three recommendations, which include revisions of a form, write policies, and to appoint a physician adviser. The physicians appointed Dr. Luckey as the medical director of the cardiac rehab program.

**NURSING UPDATE**
1. The physicians said to give flu shots until the end of December.
2. Through the month of December, a note to alert the physician that a patient did or did not have a flu or pneumonia shot will be placed on the front of the chart. At the time of dismissal the shot will be given to the patient if the physician indicates.

**QUALITY ASSURANCE**
1. Sue gave highlights of the 3rd quarter 2003 QI department studies.
2. Our CAH Regional Service Consultant advised us to change our terminology to Quality Improvement (QI) instead of Quality Assurance (QA). The revised Quality Improvement Plan was approved and signed by the Chief of Staff.
3. Also recommended is a Dashboard Report, which is a list of ongoing volume, financial, and clinical indicators that will be presented to the physicians monthly.

**MEDICAL RECORDS UPDATE**
1. The binder "Nebraska Admission Criteria for Acute Hospitalization" from CIMRO is at the nurses station for the physicians to use for acute Medicare patients.

**CLINICAL BUSINESS**
**Risk Management** - 1 case fell out, which was a Level 1.
**Infection Control Comparison Report** – Nosocomial infections - July – 1 wound, August – 3 wounds, September – 0. Class 1 infections – July – 0, August – 1, September – 0.

**MEDICAL STAFF UPDATES**
1. CRNA privileges for Denis Elliott were terminated.
2. The physicians approved locum tenen privileges on Dwight Hall CRNA, David Olson CRNA, Cathleen Timm CRNA.

The meeting was adjourned at 1:10 p.m.

Respectfully submitted,

Gerald Luckey, MD
Secretary/Treasurer
GL/jm

Appendix B
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Butler County Health Care Center
David City, NE

**PHYSICIAN SUPERVISION SERVICES**
**Cardiac Rehab**

Medical Director:

1. Responsible for:
    a. The review of the Policy/Procedure book.
    b. The exercise prescription protocol.
    c. Being immediately available (or designee) for emergency at all times during rehab sessions.
    d. Providing direct patient supervision as necessary.
    e. Resolving patient care and treatment issues with other medical staff.

Supervising/Attending Physician:

1. Orders rehab.
2. Follows patient during rehab course by:
    a. Participating in discharge plan.
    b. Writing progress notes.
    c. Is available in exercise area (or designee) for emergency at all times while rehab is in session.
    d. Orders clinic visits as necessary.
    e. Completes Functional Level reports.

Emergency Responder:

1. Call roster for Butler County Clinic is posted in rehab area on a daily basis.
2. Emergency responder does documentation on the daily report.
3. Participates in emergency drills at least annually.
4. Is readily available as an emergency responder.

Written 11/03

# ACKNOWLEDGEMENTS

This report was prepared under the direction of James P. Aasmundstad. Other principal Office of Audit Services staff that contributed include:

Tom Suttles, *Audit Manager*
Lloyd Schmeeckle, *Senior Auditor*
James Carter, *Auditor*
Kellie Neely, *Auditor*

Technical Assistance (if appropriate)
Gerald Thompson, *Independent Reviewer*
Office Administrative Personnel

For information or copies of this report, please contact the Office of Inspector General's Public Affairs office at (202) 619-1343.