

Department of Health and Human Services

**OFFICE OF
INSPECTOR GENERAL**

**MEDICAID HOSPICE GENERAL
INPATIENT PAYMENTS TO HOME AND
HOSPICE CARE OF RHODE ISLAND DID
NOT ALWAYS MEET FEDERAL AND
STATE REQUIREMENTS**

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Acting Regional
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Office of Inspector General

<https://oig.hhs.gov>

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OFFICE OF AUDIT SERVICES FINDINGS AND OPINIONS

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

EXECUTIVE SUMMARY

Medicaid hospice general inpatient payments to Home and Hospice Care of Rhode Island did not always meet Federal and State requirements, resulting in an overstatement of approximately \$28,000 (\$17,000 Federal share) from January 2007 through December 2010.

WHY WE DID THIS REVIEW

A prior Office of Inspector General review found Medicaid overpayments to hospice providers that submitted and received reimbursement for claims that did not meet the requirements for general inpatient care and should have been billed as routine home care. All of the unallowable services were provided in a nursing home setting. Therefore, we conducted this review of the Rhode Island Executive Office of Health and Human Services, Office of Medicaid's (State agency), payments to Home and Hospice Care of Rhode Island for hospice general inpatient services.

The objective of this review was to determine whether the State agency made Medicaid payments for hospice general inpatient services to Home and Hospice Care of Rhode Island in accordance with Federal and State regulations.

BACKGROUND

The State agency is responsible for administering the Rhode Island Medicaid program in compliance with Federal and State statutes and administrative policies. State agencies have the option of offering hospice care as a benefit to eligible Medicaid members.

A hospice is a public agency, private organization, or a subdivision of either that is primarily engaged in providing care to terminally ill individuals. The hospice must provide services for the palliation and management of the terminal illness and related conditions. Each day hospices classify this care under four levels: (1) routine home care, (2) continuous home care, (3) inpatient respite care, and (4) general inpatient care. In order to qualify for reimbursement at the general inpatient care level, the hospice must document that a beneficiary's need for pain control or chronic symptom management is beyond the routine home care level.

Home and Hospice Care of Rhode Island is a certified Medicare and Medicaid hospice provider located in Providence, Rhode Island. Home and Hospice Care of Rhode Island's Philip Hulitar Inpatient Center (Hulitar) is a 24-bed certified facility and the only freestanding inpatient hospice provider located in Rhode Island. Home and Hospice Care of Rhode Island also provides hospice general inpatient care in hospitals and skilled nursing facilities.

The State agency made payments for hospice general inpatient care to Home and Hospice Care of Rhode Island totaling \$914,147 for 213 claims during calendar years 2007 through 2010. At our request, the State agency performed a medical review of 43 of the hospice general inpatient claims totaling \$292,428.

WHAT WE FOUND

Medicaid hospice general inpatient care payments did not always meet Federal and State requirements. Specifically, 15 of the 43 claims we reviewed did not meet the requirements for the general inpatient care level and should have been billed at the routine home care level. This resulted in an overpayment of \$28,321 (\$17,114 Federal share). These errors occurred because Home and Hospice Care of Rhode Island and the State agency did not have adequate internal controls.

WHAT WE RECOMMEND

We recommend that the State agency:

- refund \$17,114 to the Federal government;
- strengthen internal controls, such as issuing guidance to hospices that better define the circumstances for billing at the general inpatient care level; and
- consider performing additional medical reviews of hospice general inpatient care services performed in the nursing home setting.

HOME AND HOSPICE CARE OF RHODE ISLAND COMMENTS

In written comments on our draft report, Home and Hospice Care of Rhode Island generally accepted our general inpatient care findings at Hulitar and skilled nursing facilities. However, Home and Hospice Care of Rhode Island stated that it reserves the right to discuss one case with the State's medical reviewer.

In light of our findings, Home and Hospice Care of Rhode Island stated that it has instituted procedures to ensure that it provides and bills for the appropriate level of care.

OFFICE OF INSPECTOR GENERAL RESPONSE

We maintain our findings are valid. However, after reviewing the Home and Hospice Care of Rhode Island comments, we are deferring the one case at Hulitar for further discussion between the State agency and Home and Hospice Care of Rhode Island. We modified our finding for this case and adjusted our monetary recommendation accordingly.

We also acknowledge the procedures that Home and Hospice Care of Rhode Island has instituted to address our findings.

STATE AGENCY COMMENTS

In written comments on our draft report, the State agency concurred with our findings.

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INTRODUCTION

WHY WE DID THIS REVIEW

A prior Office of Inspector General review found Medicaid overpayments to hospice providers that submitted and received reimbursement for claims that did not meet the requirements for general inpatient care and should have been billed as routine home care. All of the unallowable services were provided in a nursing home setting. Therefore, we conducted this review of the Rhode Island Executive Office of Health and Human Services, Office of Medicaid's (State agency), payments to Home and Hospice Care of Rhode Island for hospice general inpatient services.

OBJECTIVE

Our objective was to determine whether the State agency made Medicaid payments for hospice general inpatient services to Home and Hospice Care of Rhode Island in accordance with Federal and State regulations.

BACKGROUND

The Medicaid Program

The Medicaid program provides medical assistance to low-income individuals and individuals with disabilities (Social Security Act, Title XIX). The Federal and State Governments jointly fund and administer the Medicaid program. At the Federal level, the Centers for Medicare & Medicaid Services (CMS) administers the program. Each State administers its Medicaid program in accordance with a CMS-approved State plan. Although the State has considerable flexibility in designing and operating its Medicaid program, it must comply with applicable Federal requirements.

The State agency is responsible for administering the Rhode Island Medical Assistance program (the Rhode Island Medicaid program).

Hospice Care

Hospice care is an optional benefit under the Medicaid program. A hospice is a public agency, private organization, or a subdivision of either that is primarily engaged in providing care to terminally ill individuals. The hospice must provide services for the palliation and management of the terminal illness and related conditions. Each day hospices classify care under four levels: (1) routine home care, (2) continuous home care, (3) inpatient respite care, and (4) general inpatient care. In addition to basic hospice services, short-term general inpatient care may be provided in a hospice inpatient unit, general inpatient hospital, or nursing facility.

Hospice General Inpatient Care

The State agency reimburses hospices an amount applicable to the type and intensity of the services furnished to the beneficiary for each day. In order to qualify for reimbursement at the general inpatient care level, the hospice must document that a beneficiary's need for pain control or chronic symptom management is beyond the routine home care level.

Hospice general inpatient care may be provided to residents of a skilled nursing facility (SNF) provided that their services are furnished in accordance with each patient's plan of care.

Home and Hospice Care of Rhode Island

Home and Hospice Care of Rhode Island is a certified Medicare and Medicaid hospice provider located in Providence, Rhode Island. Home and Hospice Care of Rhode Island's Philip Hulitar Inpatient Center (Hulitar) is a 24-bed certified facility and the only freestanding hospice inpatient provider located in Rhode Island. Home and Hospice Care of Rhode Island also provides hospice general inpatient care in hospitals and SNFs.

HOW WE CONDUCTED THIS REVIEW

For the period from November 2012 through May 2013, we conducted site visits in Rhode Island at Home and Hospice Care of Rhode Island in Providence and the State agency's offices in Cranston and Warwick. We requested that the State agency conduct a medical review of 43 judgmentally selected claims totaling \$292,428 for 25 beneficiaries that received hospice general inpatient care. As part of the selection process, we included beneficiaries that had inpatient stays at Hulitar, SNFs, and a hospital.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix A contains the details of our audit scope and methodology.

FINDINGS

Medicaid hospice general inpatient care payments did not always meet Federal and State requirements. Specifically, 15 of the 43 claims we reviewed did not meet the requirements for the general inpatient care level and should have been billed at the routine home care level. This resulted in an overpayment of \$28,321 (\$17,114 Federal share). These errors occurred because Home and Hospice Care of Rhode Island and the State agency did not have adequate internal controls.

HOSPICE GENERAL INPATIENT LEVEL-OF-CARE REQUIREMENTS

The Rhode Island Department of Human Services' *Medical Assistance Program Hospice Manual* (Manual) states that for each day that a Medicaid beneficiary is under the care of a hospice the hospice will be reimbursed an amount applicable to the type and intensity of the services furnished for that day.

The Manual further states that hospice routine home care is for beneficiaries who require hospice services but need less than 8 hours of care per day. The State agency covers hospice general inpatient care when it is necessary for pain control or acute symptom management.

Each hospice beneficiary's clinical record must contain patient assessments, clinical notes, responses to medications, symptom management, treatments, and services (42 CFR § 418.104).

HOSPICE CLAIMS DID NOT ALWAYS MEET LEVEL-OF-CARE REQUIREMENTS

Hospice general inpatient care payments did not always meet Federal and State requirements. Specifically, 15 of the 43 claims we reviewed did not meet the requirements for the general inpatient care level and should have been billed at the routine home care level. This resulted in an overpayment of \$28,321 (\$17,114 Federal share). These errors occurred because Home and Hospice Care of Rhode Island and the State agency did not have adequate internal controls.

Hulitar Hospice General Inpatient Claims

Home and Hospice Care of Rhode Island submitted 28 claims totaling \$220,749 for beneficiaries that received 366 days of hospice general inpatient services at the Hulitar hospice inpatient facility. The average length of service for beneficiaries totaled 28 days, and the hospice general inpatient care for the beneficiaries ranged from 4 to 62 days.

Of the 28 claims for hospice general inpatient care, 4 claims did not contain sufficient documentation, noting increased pain and symptom management care symptoms, to justify changing the level of care from "routine home care" (a daily charge of \$143) to "general inpatient care" (a daily charge of \$636). The following are examples of the State agency making payments for hospice services at the incorrect level of care:

- A beneficiary received 18 days of general inpatient services from September through October 2009. The medical records did not document an increase of pain or symptom management services, and the beneficiary's hospice general inpatient services involved routine hospice care for pain and symptom management. For example, on 2 separate days, the physician's notes specifically state that the beneficiary was not appropriate for the general inpatient level of care. The beneficiary died in November 2011.
- A beneficiary received 7 days of general inpatient services from April through May 2007. However, Home and Hospice Care of Rhode Island was unable to locate this beneficiary's medical records for the 7 days of general inpatient services. The beneficiary died in June 2007.

These types of errors resulted in overpayments of \$11,902.

Skilled Nursing Home Hospice General Inpatient Claims

Home and Hospice Care of Rhode Island submitted 12 hospice claims totaling \$50,980 for general inpatient care claims in SNFs.¹ Beneficiaries received 86 days of hospice general inpatient services. The average length of service for these beneficiaries totaled 8 days, and the hospice general inpatient care for the beneficiaries ranged from 2 to 21 days.

Of the 12 claims for hospice general inpatient care in the SNFs, 11 claims at 9 different SNFs did not contain sufficient documentation of increased pain and symptom management that would justify changing the level of care from “routine home care” (a daily charge of \$143) to “general inpatient care” (a daily charge of \$636).

These types of errors resulted in overpayments of \$16,419.

Hospital Hospice General Inpatient Claims

Home and Hospice Care of Rhode Island submitted two hospice claims that totaled \$19,925 for general inpatient care services provided in the hospital setting. The two claims involved one beneficiary that received 32 days of consecutive hospice general inpatient services. Supporting records documented an increase in the beneficiary’s pain and symptom management; therefore, the level of care was correct.

CONCLUSION

As a result of the overpayments, the State agency’s Federal claim for Medicaid payments made to Home and Hospice Care of Rhode Island for the period from January 2007 through December 2010 was overstated by a total of \$28,321 (\$17,114 Federal share). These errors occurred because Home and Hospice Care of Rhode Island and the State agency did not have adequate internal controls.

Home and Hospice Care of Rhode Island officials stated that they planned to strengthen internal controls to reduce future billing errors.

¹ We initially identified 13 hospice general inpatient claims provided in SNFs. However, one claim totaling \$774 had been coded incorrectly as a general inpatient claim instead of a hospice “room and board claim.” The State agency had correctly reimbursed this claim at the hospice room and board rate.

RECOMMENDATIONS

We recommend that the State agency:

- refund \$17,114 to the Federal government;
- strengthen internal controls, such as issuing guidance to hospices that better define the circumstances for billing at the general inpatient care level; and
- consider performing additional medical reviews of hospice general inpatient care services performed in the nursing home setting.

HOME AND HOSPICE CARE OF RHODE ISLAND COMMENTS

In written comments on our draft report, Home and Hospice Care of Rhode Island generally accepted our general inpatient care findings at Hulitar and SNFs. However, Home and Hospice Care of Rhode Island stated that it reserves the right to discuss one case with the State's medical reviewer.

In light of our findings, Home and Hospice Care of Rhode Island stated that it has instituted procedures to ensure that it provides and bills for the appropriate level of care. Home and Hospice Care of Rhode Island's comments are included in their entirety as Appendix C.

OFFICE OF INSPECTOR GENERAL RESPONSE

We maintain our findings are valid. However, after reviewing the Home and Hospice Care of Rhode Island comments, we are deferring the one case at Hulitar for further discussion between the State agency and Home and Hospice Care of Rhode Island. We modified our finding for this case and adjusted our monetary recommendation accordingly.

We also acknowledge the procedures that Home and Hospice Care of Rhode Island has instituted to address our findings.

STATE AGENCY COMMENTS

In written comments on our draft report, the State agency concurred with our findings. The State agency's comments are included in their entirety as Appendix D.

APPENDIX A: AUDIT SCOPE AND METHODOLOGY

SCOPE

We limited our review to Medicaid paid claims for hospice general inpatient care that were subject to the State agency payment requirements. The State agency made hospice general inpatient payments to Home and Hospice Care of Rhode Island totaling \$914,147 for 213 claims during calendar years 2007 through 2010.

We requested that the State agency conduct a medical review of 43 judgmentally selected claims totaling \$292,428 for 25 beneficiaries out of the claims for hospice general inpatient care.

We analyzed the reimbursed claims by beneficiary place of service in a hospice inpatient unit, general inpatient hospital, and SNF locations as part of a judgmental claim selection process. We then selected at least one beneficiary from each place of service location and reviewed all of the beneficiary's hospice general inpatient care claims. As part of the selection process, we included beneficiaries that had inpatient stays from 1 day to 62 days.

In performing our review, we established reasonable assurance that the claims data were accurate. However, we did not assess the completeness of the Rhode Island paid claims file from which we obtained the data. We limited our review of internal controls to obtaining an understanding of State agency's procedures for reimbursing hospice services and hospices' procedures for billing general inpatient services provided to hospice beneficiaries.

We performed fieldwork in November 2012 through May 2013 at State agency offices in Cranston and Warwick, Rhode Island, Home and Hospice Care of Rhode Island located in Providence, Rhode Island, and the CMS Regional Office in Boston, Massachusetts.

METHODOLOGY

To accomplish our objective, we:

- reviewed Federal and State requirements;
- held discussions with State agency officials to gain an understanding of the hospice program and the State agency's role in reimbursing hospice claims;
- evaluated State agency payment files to identify 382 hospice claims for general inpatient care totaling \$1,457,273 paid to 8 hospices provided to Medicaid beneficiaries in calendar years 2007 through 2010;
- identified 213 paid claims from Home and Hospice Care of Rhode Island hospice for \$914,147 for hospice general inpatient care provided at skilled nursing facilities, general inpatient hospitals, and a hospice inpatient unit;

- reviewed hospice and nursing home billing invoices and remittance advices to validate payment information and determine whether the Home and Hospice Care of Rhode Island correctly billed the sampled claims;
- selected a judgmental sample of 43 claims for 488 general inpatient days totaling \$292,428 for 25 beneficiaries;
- requested the State agency to perform a medical review of the selected judgmental sample of 43 claims;
- conducted site visits at Home and Hospice Care of Rhode Island to discuss hospice internal controls and determine the place of service prior, during, and after the general inpatient stay;
- evaluated hospice contracts with SNFs and hospitals;
- verified whether various hospice employees had been excluded from federally funded health programs; and
- discussed the findings with the State agency and CMS.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

APPENDIX B: RELATED OFFICE OF INSPECTOR GENERAL REPORTS

Report Title	Report Number	Date Issued
<i>Rhode Island Hospice General Inpatient Claims and Payments Did Not Always Meet Federal and State Requirements</i>	<i>A-01-12-00002</i>	<i>08/13/12</i>
<i>Medicare Hospice: Use of General Inpatient Care</i>	<i>OEI-02-10-00490</i>	<i>05/03/13</i>



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July 1, 2013

Report Number: A-01-13-00002

Mr. David Lamir
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Office of Inspector General
Office of Audit Services, Region I
JFK Federal Building
15 New Sudbury Street, Room 2425
Boston, MA 02203

Dear Mr. Lamir,

Home & Hospice Care of Rhode Island (HHCRI) welcomes this opportunity to respond to the June 2013 OIG report titled: *“Medicaid Hospice General Inpatient Payments to Home and Hospice Care of Rhode Island Did Not Always Meet Federal and State Guidelines”*.

Background

- Home & Hospice Care of Rhode Island (HHCRI), the major teaching affiliate for hospice and palliative medicine of the Warren Alpert Medical School of Brown University, is the largest hospice in Rhode Island and the second oldest in the nation. For more than three decades, HHCRI has been a leader in hospice and palliative care, compassionately and skillfully providing comprehensive medical, emotional and spiritual care. With a vision to enable patients, their families and loved ones to have a meaningful experience during a difficult time, HHCRI helps people live out their lives with comfort and dignity.
- The OIG report details findings from the years 2007-2010. During that time period, HHCRI provided high quality, interdisciplinary care to over 11,355 terminally ill patients and their families regardless of their ability to pay.
- 5,517 patients received some days of GIP care during that time period.
- Beginning in 2009, HHCRI embarked on a major reorganization, including personnel changes for 6 of the 7 Senior Leadership positions (including the CEO). All current Senior Leaders are acutely aware of hospice compliance issues and are dedicated to maintaining HHCRI's culture of compliance.
- HHCRI provides care to an average of 430 patients each day. Patients in our care may reside at home, in LTC facilities, in a hospital or in our 24-bed inpatient unit, the Philip Hultar



Inpatient Center. Home & Hospice Care of Rhode Island has the only inpatient hospice unit in the state of Rhode Island.

- Currently HHCRI has 10 Medical Directors, 80% of whom are Board Certified in Hospice and Palliative Medicine. HHCRI employs over 300 staff and 350 volunteers. Dr. Edward Martin, HHCRI's Chief Medical Officer, is nationally known in the field of hospice and palliative medicine and serves as a member of NHPCO's Regulatory Committee.
- In May of 2013, HHCRI was presented with a "Top 100 Award". This national award, given annually by Deyta LLC, a firm specializing in data-driven management of healthcare and quality measurement, is based upon 2012 results of the Family Evaluation of Hospice Care survey conducted monthly with more than 1,200 hospice agencies nationwide. HHCRI was ranked by families as one of the top 100 hospices in the country. Families rank Home & Hospice Care of Rhode Island at the very top when it comes to keeping them informed of their loved one's care, recommending us to others, responding to the needs of their loved ones and having the confidence in the care and service we provide.

OIG Hular Inpatient Unit GIP Audit Findings

The OIG report states that, with 3 exceptions, the review of documentation of GIP care and billing practices at HHCRI's Philip Hular Inpatient Unit (Hular IPU) met auditor's criteria and expectations.

The exceptions are as follows:

1. In the first exception, the OIG medical reviewer determined that a patient who was admitted to the inpatient unit in 2008 did not meet the criteria for hospice general inpatient care. HHCRI is not in agreement with this finding. HHCRI's Chief Medical Officer, who was at HHCRI at the time this patient received care here, describes the patient's scenario as outlined by his medical history quite differently.

The patient was admitted to HHCRI in 2008 after a long hospitalization at The Miriam and Rhode Island Hospitals. The patient had extensive gluteal and sacral skin breakdown that had resulted in osteomyelitis of the pelvis. The patient did not improve after weeks of antibiotics and it was felt the only treatment was to surgically remove the legs and pelvis, a hemi-pelvectomy. The patient refused this in spite of being told he would certainly die.

The following is noted in the 2008 *Rhode Island Hospital* medical record discharge summary of this patient.

"ID (sic - infectious disease) recommended if no further surgery was going to be done that we stop the antibiotics since they were futile at this point. After numerous other discussions, the patient elected not to have surgery. Antibiotics were stopped. The patient understands that electing not to have surgery right now means that (the patient) will die. Dr. Adams explained in depth with the patient what kind of death this could be including a slow painful death or a rapid one due to septic shock. The pros and cons as well as natural history of



untreated osteomyelitis was explained in explicit and vivid detail, which (the patient) acknowledged.”

The infectious disease specialists, orthopedic surgeons and general surgeons all agreed the patient would die and for that reason the patient was admitted to hospice.

HHCRI's Chief Medical Officer provided care to this patient on the Philip Hulitar Inpatient Unit. He submitted the following statement:

“This was one of the most complex patients I have cared for in my 26 years as a hospice physician. The patient was admitted to our inpatient unit 3/1/08 for management of severe pain. The patient also had extensive wounds. The patient had to be hospitalized in an acute care hospital 3/3 and was readmitted to our facility 3/10. The patient required titration of hydromorphone (Dilaudid) by a pump and a ketamine infusion, an anesthetic used to control the most complex pain syndromes. This was increased slowly throughout the GIP stay. The patient had spasticity that ultimately on 5/1 required a continuous infusion of lorazepam. On 5/5 the patient's family wanted to honor the patient's wishes to leave and go to the mall as the patient had not even been out of bed in 2 months. The hospice team felt this was a poor plan and the patient was not given a day pass, but was discharged and left against medical advice. The patient returned that night 5/5 and was readmitted at the inpatient facility rather than insisting the patient be admitted to an acute care hospital. The patient was able to be transitioned home on 5/8.”

“Throughout this stay this patient required complex wound management and highly complex pain management. It is noted in the report that patients at the GIP level “had a need for pain control or chronic symptom management beyond the routine home care level”. It would be difficult to find a patient who had more complex pain and symptom management needs. This care is documented extensively in the medical record. The fact that the patient left against medical advice for several hours 3 days before discharge does not change that.”

“Even in retrospect, understanding the patient somehow survived this near certain fatal complication, the prognosis was clearly less than six months given the patient's complex and typically fatal clinical problems.”

Due to the discrepancy between the patient medical record and the assessment of the state Medicaid reviewer, HHCRI respectfully reserves the right to discuss this one case with the medical reviewer.

2. In the second case, the OIG state medical reviewer determined that during the course of this 2009 inpatient stay, the patient's care needs decreased to the level of routine hospice care. HHCRI accepts this finding.
3. The third case contained in the report outlines a patient whose file was reviewed by the OIG and had five separately billed episodes of care with HHCRI in 2007. The OIG paid for four of the five GIP episodes of care but disallowed one episode of the patient's 2007 GIP billing due to a lack of documentation. HHCRI was able to produce hard copy medical record documentation covering four of the five episodes and the electronic portion of the medical record for the fifth period; but despite numerous attempts and searching, the file covering this one episode of care could not be located by the third party vendor which stores hard copy



medical records for HHCRI. HHCRI accepts this finding. This will not be a repetitive concern because HHCRI currently utilizes an electronic medical record for clinical documentation. In 2007, HHCRI utilized a paper medical record.

HHCRI Response to the OIG Findings on Philip Hulitar Inpatient Unit

HHCRI believes that billing for levels of care should accurately reflect the care needs of every patient, every day and has instituted the following procedures to ensure that the appropriate level of care is provided and billed for:

1. Patients who are at the GIP level of care in the Philip Hulitar Inpatient Unit receive a daily review of the appropriateness of their remaining at that level of care.
2. In the Philip Hulitar Inpatient Unit, patients are visited daily by board certified hospice physicians. Physicians document in their daily clinical note why the patient remains appropriate for GIP care.
3. If a Hulitar patient (with any payer) is determined to no longer meet the GIP criteria, unit staff notify the hospice physician, request an order for a change in the level of care to routine hospice care and notify the Finance department via email that a billing change has occurred.
4. If the patient is a Medicaid patient, the patient/family is informed that the patient no longer meets the care criteria. Discharge planning to an appropriate site of care for the level of care will commence immediately. Should a delay occur in patient transfer to a site for routine hospice care, Rhode Island Medicaid will be billed for the routine hospice level of care and the patient/ family will be notified in writing of their personal liability for the costs of care exceeding the routine hospice rate and will be billed for those costs. Despite multiple calls to the Rhode Island Medicaid office, the Medicaid staff was unable to state definitively whether Medicaid had an appeals process for non-coverage that was similar to the Medicare non-coverage NEMC or ABN process. Rhode Island Medicaid also was not aware if there was any right (or system) to appeal these notices should such a notice be served to a Medicaid patient or their caregiver.
5. If the patient is a Medicare patient, and he/she no longer meets criteria for the GIP level of care; the patient/family receives an ABN notice regarding the change in their status, an explanation of their right/opportunity to appeal HHCRI's decision, and a notice detailing any potential personal financial liability should they opt to pay out of pocket for the care. Should a delay occur in patient transfer to a site for routine hospice care, Medicare is billed at the routine daily rate and the patient/family is billed for those cost differentials.
6. Current and future HHCRI processes include tighter controls than in the past. Financial Services will develop the appropriate paperwork and workflow to support patient billing modifications and all inpatient staff and physicians will be re-educated to the expectations outlined in steps 1 through 5 above.



OIG Long Term Care Facility GIP Audit Findings

The OIG requested 12 records for HHCRI patients residing in long term care (LTC) facilities between the years of 2007 thru 2009, whose care had been elevated to the GIP level. The issues in this area are not targeted to the care provided by HHCRI to these patients residing in a long term care facility but rather to the LTC facilities' ability to provide the level of services contractually required when a patient at their facility was designated GIP level of care. The report revealed that the OIG was unable to obtain from current Administrators at the involved long term care facilities, written documentation that a long term care staff registered nurse had been assigned to perform direct patient care for every shift that the patient had been designated as GIP level of care. HHCRI accepts these findings.

HHCRI Response to the OIG Findings on Hospice in the Long Term Care Facility

HHCRI believes that long term care (LTC) facilities contracting for GIP level of care provision must provide that care within all regulatory guidelines.

The issue identified by the OIG was not the care provided by HHCRI to long term care GIP patients during the years 2007, 2008 and 2009; the issue was the inability of the LTC facilities to retrospectively document that during that time period there was a LTC facility registered nurse assigned to provide care to HHCRI GIP patients on every shift during the days billed at the GIP level of care. It was HHCRI's expectation that LTC facilities were providing required services as dictated contractually. In 2012, prior to the OIG review beginning at HHCRI, this organization provided LTC GIP-focused education to our partnering LTC facilities. The goal of that education was to clearly identify responsibilities of both parties when a hospice patient living in a LTC facility is designated to the GIP level of care.

In light of the OIG findings, additional measures are being initiated to specifically target the hospice/LTC GIP level of care billing issues identified.

1. A contract review of all long term care facilities is underway. Issues of discussion include both the facility's ability to provide the required level of nursing care; and their willingness to document, and maintain documentation, of staffing and the increased level of care provided to GIP patients as a contractual provision for payment.
2. HHCRI is developing a new billing/payment sheet for long term care facilities to complete. This billing sheet will require that the LTC facility attests to having a registered nurse who was assigned to provide direct care on each shift to any resident that was receiving a GIP level hospice of care from HHCRI. HHCRI will also work to renegotiate contracts with long term care facilities to include language requiring this information prior to payment to the facility for GIP services.
3. Face to face meetings will be set up with Administrators and/or the Directors of Nursing Care in facilities which are contracted to provide the GIP level of service. The new GIP processes and rationale for those processes will be reviewed and they will be able to discuss

Mr. David Lamir
Acting Regional Inspector General for Audit Services
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their ability to comply with the regulations and document their compliance as a pre-requisite to receiving payment for GIP level of care days.

When fully initiated, the measures noted above should prevent the identified issues from recurring.

We thank you for the opportunity to respond to the concerns raised in the report and welcome any further suggestions you might have to promote regulatory compliance in this area.

Sincerely,

A handwritten signature in black ink, appearing to read "Diana Franchitto". The signature is written in a cursive style.

Diana Franchitto
President & CEO

APPENDIX D: STATE AGENCY COMMENTS



Steven M. Costantino

Secretary of Health and Human Services
STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
57 Howard Avenue, LP Building
Cranston, RI 02920
401-462-5274

September 4, 2013

Report Number: A-01-13-00002

George A. Nedder
Acting Regional Inspector General for Audit Services
Office of Inspector General
Department of Health and Human Services
Jon F. Kennedy Building, Room 2425
Boston, MA 02203

Dear Mr. Nedder:

This letter responds to your request for written comments on the draft report entitled Medicaid Hospice General Inpatient Payments to Home and Hospice Care of Rhode Island Did Not Always Meet Federal and State Requirements.

We concur with the findings and will:

- refund \$17,114 to the Federal Government
- work with our fiscal agent to issue guidance to hospices so that billing requirements are clarified; and
- perform additional medical reviews of hospice general inpatient care services performed in the nursing home setting.

Thank you for the opportunity to comment. If you have any questions, please do not hesitate to contact Elena Nicolella at 401.462.0854 or ENicolella@ohhs.ri.gov.

Sincerely,

Steven M. Costantino, Secretary

SMC/lcs