

Report in Brief

Date: April 2021

Report No. A-03-17-00009

U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES
OFFICE OF INSPECTOR GENERAL



Why OIG Did This Audit

Under the home health prospective payment system (PPS) during calendar years 2015 and 2016, the Centers for Medicare & Medicaid Services paid home health agencies (HHAs) a standardized payment for each 60-day episode of care that a beneficiary received. The PPS payment covers part-time or intermittent skilled nursing care and home health aide visits, therapy (physical, occupational, and speech-language pathology), medical social services, and medical supplies.

Our prior audits of home health services identified significant overpayments to HHAs. These overpayments were largely the result of HHAs improperly billing for services to beneficiaries who were not confined to the home (homebound) or were not in need of skilled services.

Our objective was to determine whether Visiting Nurse Association of Maryland (VNA) complied with Medicare requirements for billing home health services on selected types of claims.

How OIG Did This Audit

We selected a stratified random sample of 100 home health claims and submitted these claims to an independent medical review contractor to determine whether the services met coverage, medical necessity, and coding requirements.

Medicare Home Health Agency Provider Compliance Audit: Visiting Nurse Association of Maryland

What OIG Found

VNA did not comply with Medicare billing requirements for 19 of the 100 home health claims that we audited. For these claims, VNA received overpayments of \$25,295 for services provided in calendar years 2015 and 2016. Specifically, VNA incorrectly billed Medicare for: (1) services provided to beneficiaries who were not homebound, (2) services provided to beneficiaries who did not require skilled services, (3) services that were not delivered in accordance with the beneficiary's plan of care, and (4) claims that were assigned with incorrect Health Insurance Prospective Payment System (HIPPS) payment codes. On the basis of our sample results, we estimated that VNA received overpayments of at least \$2.1 million for the audit period. All 100 claims in our sample are outside of the Medicare 4-year claim-reopening period.

What OIG Recommends and VNA Comments

We recommend that VNA exercise reasonable diligence to identify, report, and return any overpayments in accordance with the 60-day rule and identify any returned overpayments as having been made in accordance with this recommendation. We also recommend that VNA ensure that: (1) the homebound statuses of Medicare beneficiaries are verified and continually monitored and the specific factors qualifying beneficiaries as homebound are documented, (2) beneficiaries are receiving only reasonable and necessary skilled services, (3) services are provided in accordance with beneficiaries' plans of care, and (4) the correct HIPPS payment codes are billed.

In written comments on our draft report, VNA stated that it disagreed with the majority of our findings. VNA concurred with our finding regarding the homebound determination for one claim and also concurred that an incorrect HIPPS payment code was assigned to two sampled claims identified in our draft report. VNA stated that it would promptly make a repayment for those three claims but also stated that it did not have any repayment obligation with respect to the other claims that we found were paid in error. VNA retained a health care consultant to review the claims we questioned and challenged our independent medical review contractor's decisions, maintaining that nearly all of the sampled claims were billed correctly. To address these concerns, we had our independent medical review contractor review VNA's written comments on our draft report as well as the spreadsheet prepared by VNA's consultant. Based on the results of that review, we reduced the sampled claims incorrectly billed from 36 to 19 and revised the related finding and recommendations. We maintain that our remaining findings and recommendations, as revised, are valid.