

Report in Brief

Date: February 2021

Report No. A-04-18-06221

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



Why OIG Did This Audit

Under the home health prospective payment system (PPS), the Centers for Medicare & Medicaid Services pays home health agencies (HHAs) a standardized payment for each 60-day episode of care that a beneficiary receives. The PPS payment covers intermittent skilled nursing 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 either were not confined to home (homebound) or were not in need of skilled services.

Our objective was to determine whether Brookdale Home Health, LLC (Brookdale), complied with Medicare requirements for billing home health services on selected types of claims.

How OIG Did This Audit

Our audit covered over \$13.9 million in Medicare payments to Brookdale for 3,512 claims for home health services provided in calendar years 2016 and 2017 (audit period). We selected a stratified random sample of 100 claims and submitted those claims to independent medical review to determine whether the services met coverage, medical necessity, and coding requirements.

Medicare Home Health Agency Provider Compliance Audit: Brookdale Home Health, LLC

What OIG Found

Brookdale did not comply with Medicare billing requirements for 46 of the 100 home health claims that we reviewed. For these claims, Brookdale received overpayments of \$132,500 for services provided during our audit period. Specifically, Brookdale incorrectly billed Medicare for services provided to beneficiaries who were not homebound or did not require skilled services. These errors occurred primarily because Brookdale did not have adequate controls to prevent the incorrect billing of Medicare claims within the selected risk areas. On the basis of our sample results, we estimated that Brookdale received overpayments of approximately \$3.3 million for the audit period.

What OIG Recommends and Brookdale Comments

We recommend that Brookdale: (1) refund to the Medicare program the portion of the estimated \$3.3 million overpayment for claims incorrectly billed that are within the reopening period; (2) exercise reasonable diligence to identify, report, and return any overpayments in accordance with the 60-day rule and identify any of those returned overpayments as having been made in accordance with this recommendation; and (3) strengthen some of its procedures. The detailed recommendations are listed in the body of the report.

In written comments on our draft report, Brookdale agreed that 16 of the 46 claims we found to have been improperly billed were paid in error and stated that it had repaid those 16 claims. Brookdale disagreed with our remaining findings and all three of our recommendations. Brookdale used its medical review team 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 its concerns, we reviewed Brookdale's claim rebuttals and considered the opinions of its medical review team. However, we maintain that our findings and recommendations are valid, although we acknowledge Brookdale's right to appeal the findings.