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HOME HEALTH AND HOSPICE NEWS

Federal and Texas legal issues affecting home health agencies and hospices, provided as a free service to our clients and friends
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OFFICE OF INSPECTOR GENERAL ISSUES 2010 WORK PLAN

On October 1, 2009, the United States Department of Health and Human Services, Office of the Inspector General ("OIG"), issued its plan for reviewing and examining various aspects of government-reimbursed health care delivery during federal fiscal year 2010. The Work Plan contains several provisions of interest to the home health and hospice sectors.

HOME HEALTH

One topic of review for home health agencies ("HHAs") is Part B payments for services and supplies furnished by the HHA during an episode. When the HHA prospective payment system was revised in 2008, it included a bundled payment rate for non-routine supplies furnished by the HHA directly or under arrangements. This should have resulted in a decrease in Part B payments for such services and supplies. OIG seeks to determine whether Part B payments are being made inappropriately.

The OIG continues to review HHA outlier payments and whether the methodology for calculating such payments reflects Congress' intent to reimburse HHAs for episodes with unusually high costs. Several years ago, outlier payments for insulin injections in South Florida comprised the bulk of total Medicare HHA outlier payments. Interestingly, the OIG has added to the 2010 Work Plan a separate review for insulin injections. Previously published information suggested that many HHA claims for diabetic insulin injections were being submitted for patients who were not diabetic, homebound, or unable to self-inject. Certain geographic areas have been singled out for scrutiny over the last year, including the Rio Grande Valley in Texas.

By contrast, OIG is also examining payments to HHAs for diabetes self-management training services ("DSMT"), designed to educate patients in self-monitoring blood glucose levels, the role of diet and exercise in controlling diabetes, the skills to manage their condition, and insulin treatment plans. OIG has said that it will focus on geographic areas with high utilization of DSMT services, but it is not clear whether or how those geographic areas overlap with, or are separate from, the areas with a high incidence of insulin injections or outlier payments.

OIG will also review and monitor the accuracy of coding claims for home health resource groups ("HHRGs"), and the adequacy of supporting clinical documentation, to determine whether claims are properly categorized in their correct weighted payment groups. Other PPS issues subject to scrutiny in 2010 include the location of services furnished, and trends in the volume of claims submitted and number of visits made. Continuing work in progress, OIG will examine HHA profitability both overall, and in the freestanding versus hospital-based sectors. OIG notes in its report that HHA payments have nearly doubled in the last eight years.

Of particular interest is OIGs focus on trends in "arrangements with other facilities, and ownership information." OIG does not elaborate on either of these issues, but it would be reasonable to conclude that HHA relationships with assisted living facilities will be scrutinized, along with changes of ownership and background information on HHA owners.

HOSPICE

OIG will continue to pay close attention to physician billing for services furnished to hospice beneficiaries in 2010 and whether physicians are inappropriately billing Part B for service that are already covered and reimbursed to the Hospice under the hospice's per diem rate (Part A). In most situations, physician services furnished to hospice patients that are related to the terminal illness or related conditions, and which are furnished by a physician who has some relationship with the hospice, are reimbursed to the hospice – the physician may not submit a separate Part B claim, and may only look to the hospice for reimbursement.

OIG will also scrutinize trends in hospice utilization since the elimination of the 210 day coverage limit, with particular focus on geographic differences in utilization, and between the for-profit and non-profit hospice sectors. Characteristics of hospice beneficiaries will also be analyzed, as OIG has already noted that the average length of stay and diagnoses of hospice patients have increased. Anecdotally, hospices have seen a steady increase in admissions of patients with non-cancer diagnoses.

For more information, please contact Marie Berliner at (512) 610-2098, or visit our website at www.lamberl.com