Report in Brief
Date: May 2019
Report No. A-01-16-00500

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

Excella HomeCare Billed for Home Health Services That Did Not Comply With Medicare Coverage and Payment Requirements

Why OIG Did This Review

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 reviews 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 Excella HomeCare (Excella) complied with Medicare requirements for billing home health services on selected types of claims.

How OIG Did This Review

We selected a stratified random sample of 100 home health claims and submitted these claims to medical review.

What OIG Found

Excella did not comply with Medicare billing requirements for 41 of the 100 home health claims that we reviewed. For these claims, Excella received overpayments of $129,520 for services provided in calendar years (CYs) 2013 and 2014. Specifically, Excella incorrectly billed Medicare because beneficiaries (1) were not homebound or (2) did not require skilled services. On the basis of our sample results, we estimated that Excella received overpayments of at least $6.6 million for the CY 2013 and CY 2014 period. All of the incorrectly billed claims are now outside of the Medicare reopening period; therefore, we are not recommending recovery of the overpayments.

What OIG Recommends and Excella Comments

We recommend that Excella exercise reasonable diligence to identify and return overpayments in accordance with the 60-day rule and identify any returned overpayments as having been made in accordance with our recommendations. We also recommend that Excella strengthen its procedures to ensure that (1) the homebound statuses of Medicare beneficiaries are verified and continually monitored and the specific factors qualifying beneficiaries as homebound are documented and (2) beneficiaries are receiving only reasonable and necessary skilled services.

In written comments on our draft report, Excella disagreed with our findings and recommendations and stated that it intends to contest our findings through the appeals process. To address Excella's concerns for all claims we originally found in error, we requested our medical reviewer to again review all 70 of the claims originally found in error. Based on these reviews, our medical reviewer overturned, in part or full, 35 claims that it initially found in error. With these actions taken, we maintain that our findings and recommendations are valid.