

Report in Brief

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



Why OIG Did This Audit

Under the Medicare 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.

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 not in need of skilled services.

Our objective was to determine whether Condado Home Care Program, Inc. (Condado), complied with Medicare requirements for billing home health services on selected types of claims.

How OIG Did This Audit

Our audit covered \$2.4 million in Medicare payments made to Condado for 1,418 claims provided during the period October 1, 2015, through September 30, 2017 (audit period). We selected a simple random sample of 100 claims for audit 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: Condado Home Care Program, Inc.

What OIG Found

Condado did not comply with Medicare billing requirements for 14 of the 100 home health claims that we audited. Specifically, Condado 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) incorrect Health Insurance Prospective Payment System payment codes, or (4) services provided under a plan of care that did not meet Medicare requirements.

These errors occurred because Condado did not have adequate procedures in place to prevent the incorrect billing of Medicare claims within selected risk areas.

On the basis of our sample results, we estimated that Condado received overpayments of at least \$97,210 for the audit period.

What OIG Recommends and Condado Comments

We made several recommendations to Condado, including that it (1) refund to the Medicare program the portion of the estimated \$97,210 in overpayments for claims incorrectly billed that are within the 4-year claim reopening period; (2) exercise reasonable diligence to identify, report, and return overpayments in accordance with the 60-day rule; and (3) exercise reasonable diligence to identify and return any additional similar overpayments outside the reopening period. We also made several procedural recommendations.

In written comments on our draft report, Condado did not specifically indicate concurrence or nonconcurrence with our findings or recommendations; however, it described corrective actions it has taken to address our procedural recommendations. After reviewing Condado's comments, we maintain that our findings and recommendations are valid. We commend Condado for taking corrective actions to address our findings and continue to encourage Condado to take the necessary steps to address our financial recommendations and identify, report, and return overpayments accordingly.