**Report in Brief**
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U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES
OFFICE OF INSPECTOR GENERAL

# Medicare Hospice Provider Compliance Audit: Suncoast Hospice

## Why OIG Did This Audit

The Medicare hospice benefit allows providers to claim Medicare reimbursement for hospice services provided to individuals with a life expectancy of 6 months or less and who have elected hospice care. Previous OIG reviews found that Medicare inappropriately paid for hospice services that did not meet certain Medicare requirements.

Our objective was to determine whether hospice services provided by Suncoast Hospice (Suncoast) complied with Medicare requirements.

## How OIG Did This Audit

Our audit covered 38,986 claims for which Suncoast received Medicare reimbursement totaling $148.5 million for hospice services provided during the period July 2015 through June 2017. We reviewed a random sample of 100 claims. We evaluated the services for compliance with selected Medicare requirements and submitted records associated with them to an independent medical review contractor who determined whether the services met coverage, medical necessity, and coding requirements.

## What OIG Found

Suncoast did not comply with Medicare requirements for 49 of the 100 claims in our sample. For these claims, Suncoast claimed Medicare reimbursement for hospice services for which the clinical record did not support the beneficiary's terminal prognosis or the level of care claimed and for services that were not provided.

These improper payments occurred because Suncoast's policies and procedures for ensuring that claims for hospice services met Medicare requirements were not always effective. On the basis of our sample results, we estimated that Suncoast received at least $47.4 million in Medicare reimbursement for hospice services that did not comply with Medicare requirements.

## What OIG Recommends and Suncoast Comments

We recommend that Suncoast: (1) refund to the Federal Government the portion of the estimated $47.4 million in Medicare overpayments that are within the 4-year claims reopening period; (2) exercise reasonable diligence to identify, report, and return overpayments, in accordance with the 60-day rule; and (3) strengthen its policies and procedures to ensure that hospice services comply with Medicare requirements.

In written comments on our draft report, Suncoast, through its attorney, disagreed with our recommendations and generally disagreed with our findings. Suncoast believed that the clinical documentation it submitted met Medicare requirements and that OIG's medical review contractor's denials were inconsistent with hospice regulations. Suncoast also engaged two statistical experts who challenged the validity of our statistical sampling and extrapolation methodologies. Lastly, Suncoast contended that the overpayments identified in the draft report should be waived and should also be offset by services that would otherwise be payable by Medicare.

After reviewing Suncoast's comments in their entirety, we maintain that our findings and recommendations are valid. We also maintain that our sampling and extrapolation were statistically valid and resulted in a legally valid and reasonably conservative estimate of the amount overpaid by Medicare. We note that CMS may reexamine disallowed claims and determine whether an overpayment exists and if the waiver provisions cited by Suncoast would apply. Lastly, we did not offset any overpayments because we have no assurance that Medicare would cover these services.