

## Report in Brief

Date: September 2022

Report No. A-02-20-01001

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



### 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 Hospice of Palm Beach County, Inc. (HPBC), complied with Medicare requirements.

### How OIG Did This Audit

Our audit covered 37,121 claims for which HPBC (located in Palm Beach, Florida) received Medicare reimbursement of \$149 million for hospice services provided from April 2017 through March 2019. We reviewed a random sample of 100 claims. We evaluated compliance with selected Medicare billing requirements and submitted these sampled claims and the associated medical records to an independent medical review contractor to determine whether the services met coverage, medical necessity, and coding requirements.

## Medicare Hospice Provider Compliance Audit: Hospice of Palm Beach County, Inc.

### What OIG Found

HPBC received Medicare reimbursement for hospice services that did not comply with Medicare requirements. Of the 100 hospice claims in our sample, 60 claims complied with Medicare requirement. However, the remaining 40 did not comply with the requirements. Specifically, the clinical record did not support the beneficiary's terminal illness prognosis (30 claims), the clinical record did not support the level of care claimed (9 claims), and services were not supported in the medical record (3 claims). The total exceeds 40 because 2 claims contained more than 1 deficiency.

Improper payment of these claims occurred because HPBC's policies and procedures were not effective in ensuring the clinical documentation it maintained supported the terminal illness prognosis, the appropriate level of care was provided, and that services were supported. On the basis of our sample results, we estimated that HPBC received at least \$42.3 million in improper Medicare reimbursement for hospice services.

### What OIG Recommends and HPBC Comments

We recommend that HPBC: (1) refund to the Federal Government the portion of the estimated \$42.3 million in Medicare overpayments that are within the 4-year reopening period; (2) based upon the results of this audit, 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, HPBC disagreed with our findings and recommendations. Specifically, HPBC disagreed with all but 3 of the 40 sample claims questioned in our report. HPBC asserted that our conclusions were inaccurate or divergent from the clinical facts present in the medical records. HPBC also engaged a statistical expert who challenged the validity of our statistical sampling methodology and the resulting extrapolation.

After reviewing HPBC's comments, we maintain that our findings and recommendations are valid. We also reviewed HPBC's statistical expert's comments and maintain that our statistical methodology and extrapolation are statistically valid and resulted in a legally valid and reasonably conservative estimate of the amount overpaid by Medicare to HPBC.