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

Great Lakes Home Health Services, Inc., 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 Great Lakes Home Health Services, Inc. (Great Lakes), 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 independent medical review.

What OIG Found

Great Lakes did not comply with Medicare billing requirements for 38 of the 100 home health claims that we reviewed. For these claims, Great Lakes received overpayments of $64,114 for services provided in calendar years (CYs) 2014 and 2015. Specifically, Great Lakes incorrectly billed Medicare for beneficiaries who (1) were not homebound and (2) did not require skilled services. On the basis of our sample results, we estimated that Great Lakes received overpayments of $10.5 million in CYs 2014 and 2015.

What OIG Recommends and Great Lakes Comments

We made several recommendations to Great Lakes, including that it (1) refund to the Medicare program the portion of the estimated $10.5 million in overpayments for claims incorrectly billed for the reopening period; (2) exercise reasonable diligence to identify and return overpayments, in accordance with the 60-day rule, for claims that are outside the reopening period; (3) exercise reasonable diligence to identify and return any additional similar overpayments outside of our audit period; and (4) strengthen its procedures.

In written comments on our draft report, Great Lakes generally disagreed with all of our findings and recommendations. Great Lakes challenged OIG's medical review decisions and maintained that most of the sample claims were billed correctly. To address Great Lakes' concerns, we requested that our medical reviewer review Great Lakes' written comments on our draft report as well as Great Lakes' health care consultant audit report. On the basis of the results of this review, we removed 21 of the 59 claims originally found to be in error in our draft report and adjusted the finding for an additional 9 claims. With these actions taken, we maintain that our remaining findings and recommendations are valid, although we acknowledge Great Lakes' rights to appeal the findings.