

Eli's Rehab Report

Fraud & Abuse: Senate Shines Searing Spotlight On Home Health Therapy

Suspicious changes in home health spark congressional probe.

Wondering why the prospective payment system proposed rule cracks down so thoroughly on therapy visit patterns?

Blame the media.

Earlier this year, the Wall Street Journal published an article that claimed agencies' therapy practice patterns had changed in response to PPS payment revisions that took place in 2008. Agencies manipulated visit numbers to increase profits, the article charged.

As soon as word of the article got around, Senate Finance Committee Chair **Max Baucus** (D-Mont.) and Ranking Member **Charles Grassley** (R-Iowa) requested documentation from four for-profit home health agency chains related to therapy provision and PPS payment incentives. The request letters went to **Amedisys Inc.**, **Gentiva Health Services Inc.**, **LHC Group Inc.**, and **Almost Family Inc.**

Why: The number of patients receiving 10 therapy visits from Baton Rouge, La.-based Amedisys dropped 50 percent after the new six-, 14-, and 20-visit therapy thresholds took effect in 2008, the Journal reported. At the same time, Amedisys patients receiving 14 visits rose 33 percent, and patients receiving 20 visits increased 41 percent. "Too many Americans count on Medicare to provide quality health care to allow the program to be manipulated for somebody else's profit," Baucus said in a release. "If for-profit companies want to work with the Medicare program, we have to hold them to a very high standard."

Bottom line: "So far, it appears that either the home health care reimbursement policy is flawed, some companies are gaming the system, or both," Grassley contended.

Companies Defend Their Practices

All four companies, whose stock prices dipped after news of the inquiry, promised to cooperate fully with the investigation. But they didn't stand back and wait for investigators to clear them of wrong doing. Rather, they each pled their innocence in the public sphere.

The Journal article "told an incomplete story about the value of home health to patients, their families, and the overall healthcare system," said Amedisys CEO **William Borne** said. Almost Family's "mission calls for our caregivers to provide care based solely on patients' needs and clinical conditions and we are confident that when our data is thoroughly reviewed, it will provide a much clearer picture than was portrayed in The Wall Street Journal article," CEO **William Yarmuth** said in a release. LHC offered the most substantial rebuttal in its statement about the Senate inquiry. "As a company, therapy represents a much lower portion of our episodes than the national average," the Lafayette, La.-based chain says. "In 2007, 36.6 percent of our total Medicare episodes received therapy versus the national average of 49.8 percent, and only 38.2 percent of our total Medicare episodes in 2008 received therapy versus the national average of 50.2 percent."

LHC also points out that physicians -- not agencies -- write the orders for therapy; therapy visit numbers for 2007's top 20 diagnoses stayed the same in 2008 for the company; LHC therapy visit numbers increased due to total patient population growth; and LHC has a compliance program and third-party-manned compliance hotline.

Rule Could Clean Up 'Bad Apples'

This congressional inquiry has kicked off a regulatory and compliance assault on therapy and home care, notes **Tom Boyd** with Rohnert Park, Calif.-based Boyd & Nicholas. The government believes "there are too many agencies and too many [that are] doing things wrong or illegal," Boyd says. This crack down is meant to root out the handful of bad players to ensure that Medicare only pays for care that patients absolutely need -- and that could be a positive side effect, he adds.