

Eli's Rehab Report

NEWS BRIEFS: Chicago HHA Takes a Hit

You'll want to tighten up your therapy claims oversight -- or risk losing thousands of dollars per episode.

Small Chicago-based home health agency Pacific Home Health Care Inc. is now facing that fate, as the HHS Office of Inspector General (OIG) tagged overpayments of \$108,849 for therapy and skilled nursing services claims that did not comply with federal requirements.

In past HHA therapy audits, agencies that had many claims with 10 to 12 therapy visits per episode raised a red flag for medical review. That's because Medicare reimbursement takes a significant leap after 10 therapy episodes.

For the audit period in the OIG report, Pacific submitted and received reimbursement for 123 home health claims that included one or more therapy visits. Of those, 100 claims met the 10-visit threshold, totaling \$456,637 in Medicare reimbursement.

In addition to seeking repayment of the \$108,849 in claims deemed inappropriate, the OIG asked Pacific to work with Palmetto GBA, its regional home health intermediary, to "identify and adjust claims for Medicare overpayments received subsequent to the audit period."

But this HHA is fighting back: "We are contesting the findings," Pacific's administrator, **Leticia Jimenez**, tells TCI. "That level of high therapy claims is in keeping with a high level of referrals from the local Veterans Administration medical center."

But more pre-billing controls could have helped Pacific steer clear of trouble, experts say. "There are vital steps that agencies need to take to ensure appropriate payment for therapy," says **M. Aaron Little** of BKD in Springfield, Mo. (See how in the article in this issue.)

In the OIG's own words: "The overpayments occurred because Pacific did not have effective quality assurance and control policies and procedures to identify whether the claims including therapy visits were appropriately billed."