

Eli's Hospice Insider

Audits: RACs May Bite On Hospice Unrelated Charges

Data-driven review lends itself to terminal diagnosis issue.

Recovery Audit Contractors have so far left hospices alone, but they could change their tune when it comes to charges unrelated to the terminal diagnosis.

The **Centers for Medicare & Medicaid Services** has expressed concerns about such charges (see related story, p. 52), and industry veterans expect to see action on the topic soon.

RACs may want a piece of the unrelated-to-terminal diagnosis action, thanks to an easy way for them to crunch claims numbers on the issue. In a September 2010 report, the **HHS Office of Inspector General** examined Part B physician services billed for hospice patients. It was easy for the OIG to compare hospice and physician claims for the same patients in a hospice episode. If the hospice and physician claim listed the same primary diagnosis, the OIG classified the outside charges as questionable.

The RACs could use the same methodology to compare hospice claims against other providers' claims for the same time periods, experts say.

Already three of the four RACs have had two issues approved that relate to payment to DME providers or other Medicare providers for furnishing items or services to patients on hospice care, notes consultant **Heather Wilson** with **Weatherbee Resources** in Hyannis, Mass. If providers see their claims recouped in such RAC audits, they'll come calling on the responsible hospice for payment.

Note: The OIG report is at www.oig.hhs.gov/oei/reports/OEI-02-06-00224.pdf.