

Eli's Hospice Insider

Be Aware of New Auditors on the Block

Hint: There are more than RACs in play.

A key step to surviving the increasingly compliance-focused climate: Know thy auditors.

"The players are changing, the names are changing, the contractors are changing," warns **Mary Michal**, an attorney with Reinhart Boerner Van Deuren in Madison, Wis. "All of this requires a lot of vigilance on the part of hospices, because requests are coming from so many sources."

The Recovery Audit Contractors or RACs are perhaps the most notorious of the new brand of auditors. But the MICs (Medicaid Integrity Contractors) are also rolling out nationwide. At press time, MICs were active in 40 states altogether, according to attorney **Paula Sanders**, a partner with Post & Schell in Harrisburg, Pa. Most hospices' involvement with Medicaid comes from nursing home patients who are also Medicaid hospice patients, Michal points out. And while she's not seeing hospices targeted by Medicaid, hospices need to be "vigilant" about that potentially occurring, she warns.

Reasoning: "We know in reviewing the OIG compliance guidance for nursing homes that the relationship between hospice and the nursing home has always been a target."

"The hospice, in many situations, will bill Medicare for hospice and Medicaid for the room and board for a dual-eligible patient. Then the hospice passes through the room and board payment to the nursing home. Because of that relationship, there are more hospices exceeding the Medicaid threshold where they have to have a compliance program," Michal adds.

Be On the Look Out for ZPICs

Also put ZPICs (Zone Program Integrity Contractors), which were previously the Program Safeguard Contractors, on your watch list. "CMS has consolidated Medicare [integrity reviews] for Part A, B, C and D and DMEPOS and matched them up with the MACs, so there is a ZPIC for each MAC zone," says Sanders.

Don't be beguiled: Michal has seen hospices caught off guard by ZPIC requests for records because they don't occur as often as ADRs from the MAC or FI. Yet unlike the latter, a ZPIC request can actually signal the start of a fraud investigation, which are triggered in a number of ways, Michal noted in an Elisponsored audioconference on ADRs and appeals. The trigger can be a random complaint from a staff person or former staff person or an unhappy family member -- or a referral from the MAC or FI, if it thinks there's a pattern of abuse, she cautioned. And handling the ZPIC audit in the right way up front can head off major problems at the gate, she noted.