

MDS Alert

Industry News to Use: Get Ready For Heavy Scrutiny Of Your Hospital Transfers

Plus: Your therapy services are coming under fire, too.

You may soon have a new quality measure to report to the Centers for Medicare & Medicaid Services (CMS): nursing home resident hospitalization rates. Why? The HHS Office of Inspector General (OIG) thinks you're transferring residents to hospitals too often, costing Medicare big bucks.

So says a new OIG report released on Nov. 19, which examined Medicare nursing home resident hospitalization rates. Although hospital transfers are often very necessary for nursing home residents to receive the acute-level care they need, the OIG is blasting nursing homes for what the watchdog considers "high" hospitalization rates.

Beware: "Hospitalizations are costly to Medicare, and research indicates that transfers between settings increase the risk of residents' experiencing harm and other negative care outcomes," the OIG says. "High rates of hospitalizations by individual nursing homes could signal quality problems within those homes."

The OIG's study discovered that in fiscal year 2011, nursing homes transferred about one-quarter of their Medicare residents to hospitals for inpatient admissions, costing Medicare \$14.3 billion in hospital expenses. Septicemia was the most common condition for causing nursing home residents' hospitalizations, the OIG reports.

And although those hospitalization rates varied widely across nursing homes, the OIG did find commonality among the nursing homes with the highest annual rates of resident hospitalizations: nursing homes located in Arkansas, Louisiana, Mississippi, and Oklahoma, as well as facilities with one, two, or three stars in CMS' Five-Star Quality Rating System.

Watch for: CMS agreed with the OIG's recommendations, which were for CMS to "develop a quality measure that describes nursing home resident hospitalization rates" and to "instruct State survey agencies to review the proposed quality measure as part of the survey and certification process."

To view the entire OIG report, visit <http://go.usa.gov/Wyb3>.

In other news ...

Tread Carefully When Billing For Rehab Therapy Services

And if the HHS Office of Inspector General's (OIG's) new focus on hospital transfers isn't enough to keep you up at night, the Department of Justice (DOJ) is cracking down on your Medicare claims for rehabilitation therapy services.

The Ensign Group Inc., a skilled nursing provider based in California is paying out \$48 million for allegedly submitting false Medicare claims for medically unnecessary rehab therapy services, the DOJ announced on Nov. 19. The settlement agreement reached with the DOJ involved six of Ensign's California skilled nursing facilities (SNFs), including:

- **Atlantic Memorial Healthcare Center** (Long Beach)
- **Panorama Gardens** (Panorama City)
- **The Orchard Post-Acute Care a.k.a. Royal Court** (Whittier)
- **Sea Cliff Healthcare Center** (Huntington Beach)
- **Southland** (Norwalk)
- **Victoria Care Center** (Ventura)

From Jan. 1, 1999 through Aug. 31, 2011, the six facilities "allegedly submitted false claims to the government for physical, occupational and speech therapy services provided to Medicare beneficiaries that were not medically necessary," the DOJ states. "Specifically, Ensign provided therapy to patients whose conditions and diagnoses did not warrant it, solely to increase its reimbursement from Medicare."

The settlement agreement further alleged that the Ensign facilities kept patients longer than medically necessary, billed for inflated amounts of therapy not provided, and "improperly incentivized therapists and others to increase the amount of therapy provided to patients to meet planned targets for Medicare revenue," the DOJ says. "These targets were set without regard to patients' individual therapy needs and could only be achieved by billing at the highest reimbursement levels."

In addition to shelling out nearly \$50 million, each of Ensign's six SNFs have entered Corporate Integrity Agreements (CIAs) with the OIG. The settlement is one of the largest Medicare fraud cases against a nursing home chain in U.S. history, according to the U.S. Attorney for the Central District of California Andre Birotte, Jr.

To read the entire DOJ release, go to www.justice.gov/opa/pr/2013/November/12-civ-1235.html.