

Contact Attorney Regarding
This Matter:

Robert T. Strang, III
404.873.8582 - direct
404.873.8583 - fax
robert.strang@agg.com

Arnall Golden Gregory LLP
Attorneys at Law
171 17th Street NW
Suite 2100
Atlanta, GA 30363-1031
404.873.8500
www.agg.com

Increased Oversight Likely For Hospice Providers

Any provider of hospice services, including hospital systems and skilled nursing facilities, should note the OIG report regarding hospice care released in September 2009. (A full copy of the report can be found [here](#)) The purpose of the report was to determine "the extent to which hospice claims for beneficiaries in nursing facilities met Medicare coverage requirements." The OIG's report concluded that hospice providers are not meeting coverage requirements, and that increased oversight and monitoring by CMS is needed.

Under 42 C.F.R. § 418, the following showing must be made to qualify for Medicare coverage for hospice care services:

- The services are reasonable and necessary;
- Hospice care is elected pursuant to the applicable regulations;
- Prior to delivering any hospice services, a plan of care is established;
- The hospice services provided are within that established plan of care; and
- The patient has a certification that the illness is terminal.

The OIG's report revealed that a large percentage of hospice claims do not meet these requirements. Specifically, the report determined that 82% of hospice claims did not meet at least one of the above-referenced requirements, resulting in Medicare paying \$1.8 billion for these claims. Of this 82%, 63% of the claims did not meet hospice plan of care requirements; 31% of the claims provided fewer services than were outlined in the plan of care; and 4% of the claims did not include certification of terminal illness as required or certifications were inadequate.

Given the result of this study, the OIG has recommended that CMS develop better methods of educating hospices and providing them guidance on Medicare coverage requirements for hospice care services. Furthermore, the OIG recommends that CMS increase its monitoring of hospice care claims to "effectively use targeted medical reviews and other oversight mechanisms to improve hospice performance and compliance with Medicare requirements..."

Hospice providers should be wary of increased oversight and it is suggested that they review the conditions of participation applicable to hospices issued on June 5, 2008. Moreover, providers should familiarize themselves with the Hospice Program Interpretative Guidance, which provides guidance for imple-



Client Alert



menting the conditions of participation.

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