

Hospices Under the Microscope: *Are You Prepared for ZPICs?*

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http://www.hms.com/our_services/services_program_integrity.asp

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Objectives

- Understand how ZPICs differ from other audits
- Discuss how a ZPIC audit unfolds
- Evaluate your risks and potential exposures
- Consider best practices to be prepared

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Medicare Integrity Programs

- Regional Home Health Intermediary (RHHI)
- Medicare Administrative Contractors (MACs)
(Replacing fiscal intermediaries and carriers)
- Comprehensive Error Rate Testing (CERTs)

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Medicare Integrity Programs

- Recovery Audit Contractors (RACs)
- Program Safeguard Contractors (PSCs)
- Zone Program Integrity Contractors (ZPICs)
- Unified Program Integrity Contractors (UPICs)
- Medicare Prescription Drug Integrity Contractors (MEDICs)
- Quality Improvement Organizations (QIOs)

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Fraud or Abuse?

- Fraud: intentional deception or misrepresentation of facts for purpose of gaining an otherwise unauthorized benefit
- Abuse: actions that are inconsistent with accepted, sound medical or business practices
 - Directly or indirectly results in unnecessary costs

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Zone Program Integrity Contractors (ZPICs)

- Consolidation of PSCs and MEDICs
- Coordination of claims processing and benefit integrity activities
- Ensure integrity of ALL Medicare-related claims
 - Parts A, B, C, D, Home Health, DME, Hospice and coordination of Medi-Medi data matches

Source: Chapter 4 – Benefit Integrity; Medicare Program Integrity Manual; available at: <http://www.cms.gov/manuals/downloads/pim83c04.pdf>

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ZPIC Function: Identify FRAUD

- Primary goal: investigate instances of suspected fraud, waste and abuse
 - NOT RANDOM
- Identify need for CMS administrative actions
 - Payment suspensions, prepayment edits or auto-denial edits
- Refer to law enforcement for possible civil or criminal prosecution

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ZPIC Responsibilities

- Regional Medicare data analysis
- Fraud case development
- Fraud complaint processing & resolution
- Provider education related to fraud investigations
- Ability to initiate payment suspensions and provider exclusions

Source: Chapter 4 – Benefit Integrity; Medicare Program Integrity Manual; available at: <http://www.cms.gov/manuals/downloads/pim83c04.pdf>

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Possible Sources of ZPIC Cases

- Referrals from MACs
 - Suspected fraudulent or abusive situations or patterns (data analysis)
- Complaints from beneficiaries, other providers or whistleblowers
- Office of Inspector General (OIG) Hotline
- CMS Fraud Alerts
- OIG Reports

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ZPIC Investigative Authority

- Not required to give notice
- Request medical records & documentation
 - No limit to record requests
 - No defined look-back period
- Conduct on-site visits and interviews of employees & beneficiaries
- Use probe sampling, statistical sampling & extrapolation

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Use of Statistical Sampling for Overpayment Estimation

- A Medicare contractor may not use extrapolation to determine overpayment amounts . . . unless . . .
 - There is a “sustained or high level of payment error;” or
 - Documented educational intervention has failed to correct the payment error
 - 42 U.S.C. §1395ddd(f)(3)

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Extrapolation

- No CMS guidance regarding “high error rate”
- ZPIC must give notice of extrapolation unless part of law enforcement investigation
- Extrapolate findings of sample to universe of claims for specified period
- Result: substantial overpayment determinations

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ZPIC Sanction Authority

- Suspend or withhold payments
- Determine & collect overpayments
- Refer for exclusion from Medicare
- Refer cases to law enforcement
- Grounds for possible revocation
 - Violation of provider agreement
 - Being uncooperative during on-site visit

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Challenging ZPIC Findings

- No appeal of payment suspensions
- Appeal overpayment demands through Medicare Administrative Appeal process
- Five levels of appeal
- Lengthy process
 - May only halt recoupment through second level
 - Significant interest rate applies

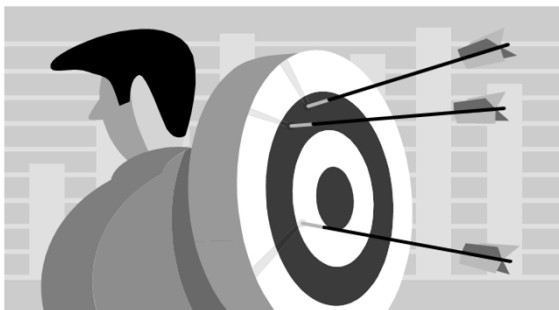
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ZPIC Appeal Levels

1. Redetermination: MAC
2. Reconsideration: Qualified Independent Contractor (QIC)
3. Request for Hearing: Administrative Law Judge (ALJ)
4. Review of ALJ Decision: Medicare Appeals Council (MAC)
5. Judicial Review: Federal District Court

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Government Focus Areas



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Target Areas for Hospice Claims

- Election statements
- Certifications of terminal illness
 - Patients ineligible for hospice care
- Eligibility and long lengths of stay
- Residence of patients: nursing homes (SNFs), assisted living facilities (ALFs), boarding homes
- Terminal diagnosis
- Kickbacks

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Target Areas for Hospice Claims

- Poor documentation
- Inappropriate general inpatient care claims
- Inappropriate continuous care claims
- Duplicate drug claims
- Overlapping Part A claims (hospital, SNF)
- Fewer services than in plan of care

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Target Areas: Hospice Utilization in SNFs (OIG Work Plan 2011)

- *Data mining:* Hospice Medicare A claims and MDS
- Characteristics of nursing facilities with high hospice utilization
 - Prior report: 82% of SNF/hospice claims did not meet coverage requirements
- Incentives to admit patients likely to have long stays
 - *Tip:* Examine business relations and marketing practices

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Target Areas: OIG Work Plan 2014

- Hospice in assisted living facilities (new)
- Hospice general inpatient care

- Remember: ZPICs and others read the Work Plan!!!

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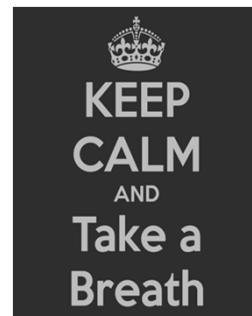
“The Letter”

- New England Benefit Integrity Support Center
- Program Safeguard Contractors
- Sent FedEx

Photo of FedEx Delivery Man



What My First Response Should Have Been.....



What it really was.....



“The Letter” Contents

- All business contracts from 1.1.11 through current (3.13.13)
- List of all current and past employees from 2011 through current. The list should include full name, job title, dob, address, phone, date of hire, date of termination/resignation
- A list of all practice locations
- 1099 and W-2 earning statements for owners, management and directors, to include medical directors
- Name of number of Compliance Officer or the person who should be contacted if questions regarding your response to this letter
- Unduplicated beneficiary list for beneficiaries from 11.1.11 to current. This list must include the beneficiary’s place of service address, phone number, date of admission, and date of death, discharge, and or revocation date, and primary nurse.
- Please return the requested information to my attention within 30 days

Next steps...

- Gathered Executive Leadership
- Called our attorney
- Took direction from her
- Extension asked for and granted
- All hands on deck
- Informed only leadership and Board of Directors

Why ZPIC for us??

- High average length of stay.....
- Whistleblower or disgruntled former employee?
- Patients that had been hospitalized after admission to our program
- Percentage of long term care patients

What to do, what to do??

- Webinars, research
- Gather info requested
- Review all possible exposures to organization
- Get info to attorney for their review

Then, another letter.....



First Reaction Should Have Been...



In reality...



The ZPIC is coming, the ZPIC is coming...

- On-site visit to be conducted 7/31/13
- Interview requested for Administrative staff and Medical Director
- May include a tour and retrieval of records
- At time of visit, may have to produce patient records and other related business records
- Letter serves as an intent to reopen paid claims

First Reaction in reality...

- Call our Attorney
- Gather leadership
- Decide who will be in the room.. (less is best!, and “no attorney present”)
- Wait, eat, pray, eat again.....

The Day Arrives

- Investigator and new trainee
- Office tour
- No charts
- 45 minute interview
- Medical Director
- Board of Directors
- Anonymous complaint
- Would need to wait for ruling

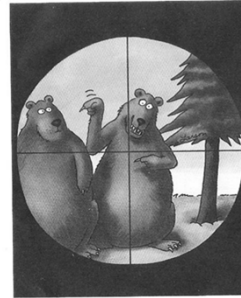
The Letter Arrives

- September 9, 2013
- Review included a claims data analysis, provider practice request and a site visit
- Site visit was to evaluate utilization of LOS, continuing level of care and GIP
- No further actions!!



Going Forward...

- Compliance Team formed organization-wide
- GIP team
- Continuous care team
- IDT surveillance
- 100% review of all admission charts



Resources And Useful Information



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ZPICs and Websites

| ZPIC | Website | ZONE | STATES IN ZONE |
|--------------------|---|------|---|
| Safeguard Services | http://www.safeguard-servicesllc.com/default.asp | 1 | California, Hawaii, Nevada, American Samoa, Guam, and the Mariana Islands |
| AdvanceMed | http://www.ncinc.com/about-us/advancemed/ | 2 | Washington, Oregon, Idaho, Utah, Arizona, Wyoming, Montana, North Dakota, South Dakota, Nebraska, Kansas, Iowa, Missouri, Alaska |
| Cahaba | http://cahabasafeguard.com/ | 3 | Minnesota, Wisconsin, Illinois, Indiana, Michigan, Ohio, Kentucky |
| Health Integrity | http://www.healthintegrity.org/ | 4 | Colorado, New Mexico, Texas, and Oklahoma |
| AdvanceMed | http://www.ncinc.com/about-us/advancemed/ | 5 | Arkansas, Louisiana, Mississippi, Tennessee, Alabama, Georgia, North Carolina, South Carolina, Virginia, West Virginia |
| Under Protest | | 6 | Pennsylvania, New York, Delaware, Maryland, D.C., New Jersey, Massachusetts, New Hampshire, Vermont, Maine, Rhode Island, Connecticut |
| Safeguard Services | http://www.safeguard-servicesllc.com/default.asp | 7 | Florida, Puerto Rico, Virgin Islands |

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QUESTIONS????

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