Top Five Hospice Risk Areas: What You Need to Know and Do Now

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Hospice Enforcement
By the Numbers

- In 2013, more than 1.3 million Medicare beneficiaries received hospice services from over 3,900 hospice providers
- 2013 Medicare expenditures totaled about $15.1 billion
  - More than 400% increase in spending since 2000
  - Nearly $9 billion spent on patients with lengths of stay exceeding 180 days
- 2000-2012 – average length of stay increased from 54 days to 88 days
- 2000-2012 – length of stay at the 90th percentile grew substantially, increasing from 141 days to 246 days
- 68% of Medicare decedents who used hospice had a non-cancer diagnosis, up from 48% in 2000

Top Five Risk Areas

1. Eligibility and Appropriateness
2. Financial Arrangements
3. Level of Care
4. Documentation
5. Governance and Effective Oversight
1. Eligibility and Appropriateness

Medical Eligibility and Appropriateness for Hospice Benefit

- Admissions
- Re-admissions
- Long lengths of stay
- Stability and failure to discharge clinically ineligible patients
- Live discharge rates

Risks:

Mitigation:

- Audit and monitor high risk areas
- Evaluate your data to identify trends and investigate outliers
- Review your PEPPER reports
- Hospice CAP overpayment trends

2. Financial Arrangements
Financial Arrangements and Marketing Practices

- Kickbacks to referral sources
- Swapping arrangements
- Arrangements with Medical Directors
- Incentives tied to admissions and census goals

Risks:
- Focused training for marketing staff on interactions with referral sources and beneficiaries
- Compliance contract review for financial arrangements with referral sources
- Evaluate internal compensation and incentives

Mitigation:

Level of Care

- Appropriateness of GIP care
- Use of continuous or crisis care services
- Services provided to beneficiaries in ALFs and SNFs

Risks:
- Audit and monitor appropriateness of higher levels of care
- Evaluate your data to identify trends and investigate outliers
- Increase oversight for ALF and SNF patients

Mitigation:
4. Documentation

Risks:
- Adequacy of physician attestations, clinical documentation, financial records and other documents that support claims for reimbursement
- Timeliness and completeness of physician referrals, plans of care, hospice certifications, and face-to-face evaluations

Mitigation:
- Implement systems to ensure timely certifications and face-to-face evaluations
- Documentation training for hospice staff
- Operationalize documentation practices

5. Governance and Effective Oversight
Governance and Effective Oversight

Risks:
- Failure to set compliance direction at the top
- Lack of knowledge prevents Board from taking action early
- Lack of oversight may be indicative of greater problems
- Failure to allocate sufficient resources

Mitigation:
- Have regular executive sessions with Board
- Develop Compliance Dashboard for Board
- Encourage questions and robust discussion
- Involve executive leadership in risk identification and remediation

Speakers

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