



The Changing Landscape of Billing Compliance

How to Prevent and Mitigate Payment Issues in Home Health & Hospice

With scrutiny increasing in all areas of healthcare today, home care and hospice are not immune to the potential problems and penalties associated with non-compliant billing operations.

In fact, the US Department of Justice obtained more than \$2.8 billion in settlements and judgments from civil cases involving fraud and false claims against the government in the fiscal year ending Sept 30, 2018. Of that, \$2.5 billion involved the health care industry (not including the Medicaid programs).

Whether you are a large, multi-state, multi-provider company or a single home health or hospice agency, you need an effective, efficient compliance program that includes an auditing and monitoring plan that works for your company. Non-compliant practices can bring substantial financial consequences, regardless of agency size.

The Changing Healthcare Landscape



Compliance in healthcare demands a collaborative effort across your organization, departments, and provider locations, requiring consistency and continuous oversight of practices. The changing and expanding rules of government enforcement agencies and their contractors demand an organized approach to compliance. Healthcare agencies face a range of government audits, including Targeted Probe & Educate, Unified Program Integrity Contractors (UPICs), Medicare Administrative Contractors (MACs), and others.

As the crackdown on fraud and abusive payment practices continues, the Office of Inspector General (OIG) regularly reports on its audit activity. For instance, the OIG released reports in May 2019 spotlighting alleged overpayments by four home health companies, largely the result of billing for services to beneficiaries who the OIG alleges were not homebound or didn't require skilled services.

The consequences of non-compliance can range from financial penalties, overpayment extrapolations, and Corporate Integrity Agreements that result in a 5-year government oversight plan, to exclusion from the Medicare/Medicaid program for five years or more. Plus, non-compliance can erode trust and destroy your company's reputation.



What can you do to prevent and mitigate payment issues?

Kathleen Hessler, Director, Compliance & Risk at Simione Healthcare Consultants, advises starting with the basics.

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The ABCs of Billing Compliance

A solid compliance program will provide education to staff about the harm and potential criminal penalties associated with payments for referrals and will require proper training for clinicians and billing staff on the requirements for accurate clinical documentation and requisite billing practices, says Hessler. With over 30 years of combined nursing, legal and consulting experience in the healthcare profession, Hessler understands the ins and outs of billing compliance for home health and hospice agencies. Hessler says, the building blocks of compliance can be met with accountability, best practices, and consistency.



Accountability

Compliance is everyone's job. That means everyone—from human resources to marketing to C-suite executives—must be accountable for understanding the law for the service line in which they work and for doing the right thing. Clinicians will need education on billing documentation requirements on both the technical and the clinical side. Clinicians must accurately document to the Medicare regulations and guidelines for eligibility requirements for hospice, and the homebound and medical necessity requirements for home health patients.



Best Practices

Conduct pre-bill clinical record audits for both technical and clinical components. Establish an annual audit plan that focuses on high-risk areas that are under government scrutiny. Provide ongoing training and education on appropriate technical billing and clinical documentation requirements. Intermittently assess your agency's risk and the effectiveness of your compliance program components. Tap the expertise and objectivity of an external source to conduct an annual compliance plan review and a probe pre-bill audit.



Consistency

Conduct continuous monitoring and auditing using both internal resources and external sources for best results.

To dig a little deeper, Hessler says your **best preventive measures** lie in pre-bill clinical record review and an annual compliance assessment and effectiveness review.

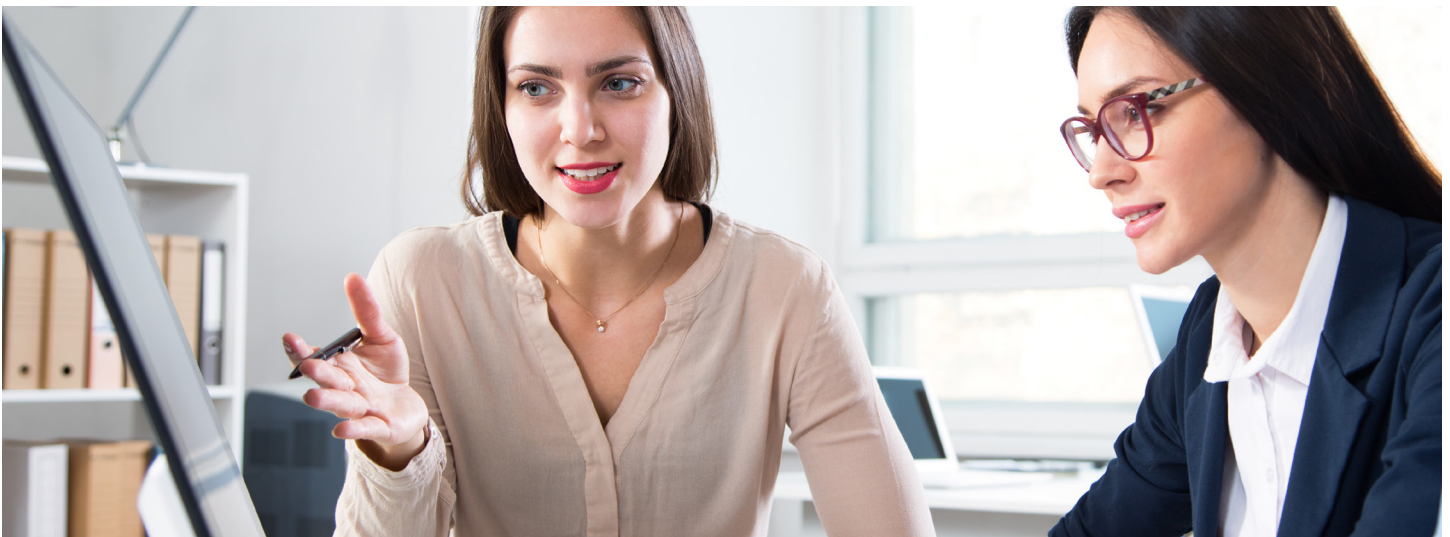
Pre-Bill Clinical Record Review

For starters, billing compliance is really an “umbrella term” under which two primary billing requirements fall; both must be handled effectively.

- **Technical billing requirements.** Think of this billing component as all the administrative details you need to correctly submit your bills. Check your billing documents to ensure they contain all the necessary signatures, dates, start of care, consents, doctor’s orders, etc. Apply the old adage: dot your i’s and cross your t’s.
- **Clinical documentation billing requirements.** Think of this billing component as all the medical and health content you need to correctly submit your bills. Check your billing documents to ensure that the substantive content written by the clinician(s) demonstrates that the patient meets eligibility requirements to receive hospice services or home health benefits. (Note that “clinicians” include physicians, nurse practitioners, nurses, therapists, etc.) Medicare focuses on clinical documentation requirements for every visit, so it’s imperative to understand the documentation regulations to demonstrate patient eligibility and medical necessity.

If your agency is found to be non-compliant in either technical or clinical documentation during a government audit of claims billed and paid, Hessler explains, Medicare will recoup payments. “The government will call it an overpayment, and they can extrapolate back up to six years for the total overpayment,” she says. In demanding repayments, the government may allege fraud, abusive practices, or erroneous billing patterns.

Now that you understand the difference between technical and clinical compliance, you might be wondering how you can stay on top of everything.



According to Hessler, best practices for billing compliance include the following:

1. Pre-Bill Audits

Are you conducting pre-bill audits? This includes a full clinical record review of all technical billing requirements and all clinical documentation to demonstrate patient eligibility (for hospice) and homebound and medical necessity (for home health patients).

- **Internal auditing.** Every agency should have an internal audit plan and team. The team should review all, or at least a percentage of clinical records, prior to billing. Conduct these reviews on an ongoing basis.
- **External auditing.** At least once a year, engage an expert consulting company to conduct an external review of a probe sample of clinical records where the final claims are ready to bill. Compliance conscious-companies and agencies might choose an outside firm for ongoing monthly or quarterly record reviews.

2. Compliance Assessment and Effectiveness Review

Do you know what your agency's key priorities and risks are? You'll need to know before you jump into developing an audit plan to address high-risk areas. That's where a *Compliance Assessment and Effectiveness Review* comes into play.

- This evaluation looks at your compliance program or functions to identify, analyze, and prioritize your agency's key risks. Further, it identifies preventive measures taken to limit or mitigate risk as outlined by the OIG's compliance guidelines.
- One of the most important elements of the compliance program is the auditing and monitoring component. Hessler advises that, in addition to an annual external compliance assessment and effectiveness review, you should conduct intermittent internal reviews to assess agency risk and the effectiveness of the components of your compliance program.

Small agencies may choose to incorporate compliance activities into the QAPI process; however, compliance needs to be a named and active function.

Seven Fundamental Elements of a Compliance Program



The Office of Inspector General (OIG) has set forth seven elements of a compliance program to guide providers in implementing effective compliance efforts and in promoting an understanding among employees of the seriousness of violating state and federal laws.

- 1 Implement written policies, procedures and standards of conduct
- 2 Designate a compliance officer and compliance committee
- 3 Conduct effective training and education
- 4 Develop effective lines of communication
- 5 Conduct internal monitoring and auditing
- 6 Enforce standards through well-publicized disciplinary guidelines
- 7 Respond promptly to detected offenses and undertaking corrective action

Source: Office of Inspector General (OIG)



The Bottom Line and Next Steps

Don't let the burden of increased scrutiny and challenges of billing operations weigh you down. While the consequences of non-compliance can be severe, you don't have to go it alone.

Agencies big and small must follow billing compliance rules and regulations which are both complex and ever-changing. Tap into Simone's decades of experience to help you customize and manage a compliance program that meets your specific needs. Because Simone assists agencies of all sizes, consider using our expertise to evaluate your current program, make recommendations to enhance it, and help you evolve or develop it into a more active program.

Additionally, Simone provides pre-bill clinical record reviews to assist agencies in identifying problems or potential billing concerns before the government does. Put Simone's billing compliance expertise to work for you and minimize your risk of overpayment or allegations of fraud.



For more information on Simone Healthcare Consultants or to learn more about compliance and risk services, call **844.293.1530** and visit **[Simione.com](https://www.simione.com)**