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◆ In a report posted Oct. 2, the HHS Office of Inspector General said that Medicare overpaid inpatient rehabilitation facilities (IRFs) nationally \$5.7 billion for care that wasn't reasonable and necessary. OIG audited a stratified random sample of 220 IRF stays at 164 IRFs and concluded that 175 stays at 135 IRFs didn't have documentation to support the medical necessity and reasonableness of the IRF care. "Many IRFs did not have adequate internal controls to prevent inappropriate admissions; Medicare Part A FFS lacked a prior authorization review process for IRF admissions that could reduce inappropriate admissions; CMS's extensive educational efforts and recent postpayment reviews were unable to control an increasing improper payment rate reported by CERT since our 2013 audit period; administrative law judge (ALJ) hearings for IRF appeals did not always involve CMS participation to ensure that Medicare coverage and documentation requirements were accurately interpreted; and the IRF payment system did not align cost with payments, which may have provided IRFs with a financial incentive to admit patients inappropriately," OIG said. An independent medical review contractor did the audit. OIG recommended reforms to CMS. They include increased oversight, educating IRF clinicians and billers, re-evaluating the IRF payment system, and working with "the Office of Medicare Hearings and Appeals to ensure that Medicare coverage and documentation requirements for IRF care are fairly represented at ALJ hearings." CMS agreed. Visit <https://go.usa.gov/xPBt6>.

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