

Report on Medicare Compliance Volume 29, Number 10. March 16, 2020

OIG: Hospital Was Overpaid \$5M for IRF Claims, a TPE Focus; It's a 'Prescriptive' Area

By Nina Youngstrom

In another challenge to the medical necessity of inpatient rehabilitation services, the HHS Office of Inspector General (OIG) said in a new provider compliance audit that Saint Francis Health Center, an acute care hospital in Topeka, Kansas, was overpaid \$5.5 million in 2015 and 2016.^[1] OIG concluded the hospital's inpatient rehabilitation services were provided to Medicare beneficiaries who didn't require intensive therapy, weren't stable enough to participate or didn't need a rehabilitation physician's supervision. Although the hospital pushed back on OIG's conclusions with contrary findings by an independent auditor, experts say Medicare's coverage and documentation rules are black and white.

"The Medicare requirements for inpatient rehabilitation are very prescriptive," said Regina Alexander, senior consultant at VantagePoint HealthCare Advisors in Hamden, Connecticut. It's probably why inpatient rehabilitation facilities (IRFs) are big on the audit circuit right now. Medicare administrative contractors (MACs) are reviewing claims in Targeted Probe and Educate (TPE), and OIG often includes IRF claims in provider compliance audits. "TPE denial rates are high, and it will continue to be a problem until all professionals, including those in acute care, understand the criteria for inpatient rehab," said Jane Snecinski, president of Post Acute Advisors in Atlanta, Georgia. "If the physical and occupational therapists are treating the patients in acute care and recommend another level of care or discharge home, there is no documented justification for the intensive therapy program in rehab."

Another twist: More patients are referred to IRFs directly from locations where they may not receive two or more types of therapy, like the emergency room and physician offices. It's doubtful they will be able to check the boxes of Medicare medical necessity requirements, Snecinski said. "At that point in time, they may not have received therapy, so how can you demonstrate they can tolerate an intensive therapy program?"

This document is only available to subscribers. Please log in or purchase access.

[Purchase Login](#)