

# Hospice Improper Payment Risks

- PEPPER does not identify improper payments.
- Hospices are reimbursed through the Medicare Hospice Benefit (MHB).
- Hospices can be at risk for inappropriate beneficiary enrollment in the MHB.
- Target areas were identified based on review of the MHB, analysis of claims data and coordination with CMS subject matter experts.

# Office of Inspector General Reports

- “Medicare Hospices Have Financial Incentives to Provide Care in Assisted Living Facilities”, January 2015, [OEI-02-14-00070](#)
- “Hospices Inappropriately Billed Medicare Over \$250 Million for General Inpatient Care”, March 2016, [OEI-02-10-00491](#)

## PEPPER Target Areas

- Areas identified as potentially at risk for improper Medicare payments (e.g., coding or billing errors, unnecessary services)
- A target area is constructed as a ratio:
  - Numerator = episodes/claims/days identified as potentially problematic
  - Denominator = larger reference group

## *Hospice PEPPER Target Areas*

- *Live Discharges Not Terminally Ill*
- *Live Discharges – Revocations*
- *Live Discharges LOS 61 – 179 Days*
- *Long Length of Stay*
- *Continuous Home Care Provided in an Assisted Living Facility*
- *Routine Home Care Provided in an Assisted Living Facility*
- *Routine Home Care Provided in an Nursing Facility*
- *Routine Home Care Provided in an Skilled Nursing Facility*
- *Claims with Single Diagnosis Coded*
- *No General Inpatient Care or Continuous Home Care*
- *Long General Inpatient Care Stays*

# Hospice PEPPER Target Areas

Target Area	Target Area Definition
<b>Live Discharges</b> No Longer Terminally Ill	<p><i>Numerator (N):</i> count of beneficiary episodes who were discharged alive (patient discharge status code not equal to 40, 41 or 42, excluding: beneficiary transfers (patient discharge status code 50 or 51); beneficiary revocations (occurrence code 42); beneficiaries discharged for cause (condition code H2); beneficiaries who moved out of the service area (condition code 52)</p> <p><i>Denominator (D):</i> count of all beneficiary episodes discharged (by death or alive) by the hospice (obtained by considering all claims billed for a beneficiary by that hospice)</p>

## Hospice PEPPER Target Areas, 2

Target Area	Target Area Definition
<b>Live Discharges – Revocations</b>	<p><i>N</i>: count of beneficiary episodes who were discharged alive (patient discharge status code not equal to 40 (expired at home), 41 (expired in a medical facility) or 42 (expired place unknown)), with occurrence code 42</p> <p><i>D</i>: count of all beneficiary episodes discharged (by death or alive) by the hospice (obtained by considering all claims billed for a beneficiary by that hospice)</p>

## Hospice PEPPER Target Areas, 3

Target Area	Target Area Definition
<b>Live Discharges with LOS 61-179 Days</b>	<p><i>N</i>: count of beneficiary episodes who were discharged alive (patient discharge status code not equal to 40 (expired at home), 41 (expired in a medical facility) or 42 (expired place unknown)), with a length of stay (LOS) of 61-179 days</p> <p><i>D</i>: count of all beneficiary episodes discharged alive by the hospice (obtained by considering all claims billed for a beneficiary by that hospice)</p>

## Hospice PEPPER Target Areas, 4

Target Area	Target Area Definition
<b>Long Length of Stay</b>	<p><i>N</i>: count of beneficiary episodes discharged (by death or alive) whose combined days of service at the hospice is greater than 180 days (obtained by considering all claims billed for a beneficiary by that hospice)</p> <p><i>D</i>: count of all beneficiary episodes discharged (by death or alive)</p>



## Hospice PEPPER Target Areas, 5

Target Area	Target Area Definition
<b>Continuous Home Care Provided in an Assisted Living Facility</b>	<p><i>N</i>: count of beneficiary episodes discharged (by death or alive) where at least eight hours of Continuous Home Care (revenue code = 0652) were provided while the beneficiary resided in an Assisted Living Facility (HCPCS code = Q5002)</p> <p><i>D</i>: count of all beneficiary episodes that indicate the beneficiary resided in an assisted living facility (HCPCS code = Q5002) for any portion of the episode</p>

## Hospice PEPPER Target Areas, 6

Target Area	Target Area Definition
<b>Routine Home Care Provided in an Assisted Living Facility</b>	<p><i>N</i>: count of Routine Home Care days (revenue code = 0651) provided on claims ending in the report period that indicate the beneficiary resided in an assisted living facility (HCPCS code = Q5002)</p> <p><i>D</i>: count of all Routine Home Care days (revenue code = 0651) provided by the hospice on claims ending in the report period</p>

# Hospice PEPPER Target Areas, 7

Target Area	Target Area Definition
<b>Routine Home Care Provided in a Nursing Facility</b>	<p><i>N</i>: count of Routine Home Care days (revenue code = 0651) provided on claims ending in the report period that indicate the beneficiary resided in a nursing facility (HCPCS code = Q5003)</p> <p><i>D</i>: count of all Routine Home Care days (revenue code = 0651) provided by the hospice on claims ending in the report period</p>

## Hospice PEPPER Target Areas, 8

Target Area	Target Area Definition
<b>Routine Home Care Provided in a Skilled Nursing Facility</b>	<p><i>N</i>: count of Routine Home Care days (revenue code = 0651) provided on claims ending in the report period that indicate the beneficiary resided in a skilled nursing facility (HCPCS code = Q5004)</p> <p><i>D</i>: count of all Routine Home Care days (revenue code = 0651) provided by the hospice on claims ending in the report period</p>

## Hospice PEPPER Target Areas, 9

Target Area	Target Area Definition
<b>Claims with Single Diagnosis Coded</b>	<i>N</i> : count of claims ending in the report period that have only one diagnosis coded  <i>D</i> : count of all claims ending in the report period with one or more diagnoses coded
<b>No General Inpatient Care or Continuous Home Care</b>	<i>N</i> : count of beneficiary episodes ending in the report period that had no amount of general inpatient care (revenue code = 0656) or continuous home care (revenue code = 0652)  <i>D</i> : count of all beneficiary episodes ending in the report period

# Hospice PEPPER Target Areas, 10

Target Area	Target Area Definition
<b>Long GIP Stays</b>	<p><i>N</i>: count of GIP stays within episodes ending in the report period with a length greater than five consecutive days</p> <p><i>D</i>: count of all GIP stays within episodes ending in the report period, identified as 1+ consecutive days of revenue code 0656</p>