



Medicare Home Health Payment Risks



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Program integrity
contractors

Comprehensive
Error Rate
Contractor (CERT)

Medicare
Administrative
Contractors
(MACs)

Recovery Audit
Contractor (RAC)

Supplemental
Medical Review
Contractor (SMRC)

Unified Program
Integrity Contractors
(UPICs) replacing Zone
Program Integrity
Contractors (ZPIC)



U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

2018 Medicare Fee-for-
Service Supplemental
Improper Payment Data

Table D3: Top Service Types with Highest Improper Payments: Part A Excluding Hospital IPPS

Part A Excluding Hospital IPPS Services (TOB)	Projected Improper Payments	Improper Payment Rate	95% Confidence Interval	Percentage of Service Type Improper Payments by Type of Error					Percent of Overall Improper Payments
				No Doc	Insufficient Doc	Medical Necessity	Incorrect Coding	Other	
Home Health	\$3,159,762,318	17.6%	15.3% - 20.0%	2.0%	61.9%	19.3%	0.5%	16.2%	9.8%
Hospital Inpatient (Part A)	\$3,028,843,725			0.1%	17.0%	82.9%	0.0%	0.0%	9.4%
SNF Inpatient	\$2,148,184,957			2.4%	81.3%	1.7%	4.1%	10.5%	6.7%
Hospital Outpatient	\$2,054,966,891			2.1%	85.5%	1.4%	3.1%	7.8%	6.4%
Nonhospital based hospice	\$1,780,099,205			5.2%	56.6%	28.3%	9.8%	0.2%	5.5%
Clinic ESRD	\$394,644,185			0.0%	99.6%	0.0%	0.0%	0.4%	1.2%
Critical Access Hospital	\$386,619,186	6.1%	2.8% - 9.5%	0.0%	88.4%	8.4%	2.3%	0.9%	1.2%
Hospital based hospice	\$275,887,344	19.3%	12.6% - 25.9%	1.1%	83.4%	1.4%	14.1%	0.1%	0.9%
Hospital Other Part B	\$133,323,795	16.2%	6.2% - 26.2%	1.0%	77.7%	0.0%	0.2%	21.0%	0.4%
SNF Inpatient Part B	\$69,041,788	2.3%	0.5% - 4.1%	0.0%	69.6%	9.2%	18.1%	3.1%	0.2%

- 2017 = 32%
- 2016 = 42%
- 2015 = 59%
- 2014 = 51%

Source: [2018 Medicare Fee-for-Service Supplemental Improper Payment Data](#)

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Home Health Comprehensive Error Rate Testing (CERT) Information

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Provider Outreach and Education (POE) has focused on reducing the CERT error rate at every educational event we have. In continuing our promise to partner with our providers to reduce the CERT error rate we are using data analysis to help identify the most common CERT errors and by state.

As identified on the maps below, we have broken out each of our sixteen states: Alabama, Arkansas, Florida, Georgia, Illinois, Indiana, Kentucky, Louisiana, Mississippi, New Mexico, North Carolina, Ohio, Oklahoma, South Carolina, Tennessee and Texas provided CERT-specific data. Please use this tool and review the most common errors and the tips to avoid the error. We have provided specific examples under the CERT Reviewer Error.

We continue to partner with our providers to provide helpful education tools and are excited to add this enhancement to our CERT link under the HHH website.



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Source: [PGBA home health CERT information](#)



Introduction

The Government Accountability Office has designated Medicare as a program at high risk for fraud, waste and abuse¹. Medicare spending for home health care has increased dramatically in recent years^{2, 3} and home health agencies (HHAs) have been designated as providing Medicare services that have a high risk for fraud, waste and abuse⁴. The OIG recommended that the Centers for Medicare & Medicaid Services (CMS) increase monitoring of billing for home health services⁴. In 1999 the Office of Inspector General (OIG) encouraged health care providers to develop and implement a compliance program to protect their operations from fraud and abuse.⁵ As part of a compliance program, HHAs should conduct regular audits to ensure charges for Medicare services are correctly documented and billed. The Program for Evaluating Payment Patterns Electronic Report (PEPPER) can help guide a provider's auditing and monitoring activities with the goal of preventing improper Medicare payments.

What Is PEPPER?

The Program for Evaluating Payment Patterns Electronic Report (PEPPER) is a comparative data report that summarizes a single provider's Medicare claims data statistics in areas identified as at risk for improper Medicare payments. To develop the HHA PEPPER, Medicare claims data for all HHAs in the nation (obtained from the UB-04 claims submitted to the Medicare Administrative Contractor or MAC) were analyzed to identify areas which could be at risk for improper Medicare payment. These areas are referred to as "target areas."

PEPPER does not identify the presence of improper payments, but it can be used as a guide for auditing and monitoring efforts. A HHA can use PEPPER to compare its claims data over time to identify areas of potential concern and to identify changes in billing practices.

- Q4CY17 distributed on 07/16/18 latest data currently available

5 Source: [Home Health PEPPER](#)

TARGET AREA	TARGET AREA DEFINITION			
Average Case Mix (Avg Case Mix)	<p><i>N</i>: sum of case mix weight for all episodes paid to the HHA during the report period, excluding LUPAs (identified by Part A NCH HHA LUPA code) and PEPs (identified as patient discharge status code equal to '06')</p> <p><i>D</i>: count of episodes paid to the HHA during the report period, excluding LUPAs and PEPs</p> <p>Note: reported as a rate, not a percent.</p>			
YOUR HOME HEALTH AGENCY		1/1/15 – 12/31/15	1/1/16 – 12/31/16	1/1/17 – 12/31/17
Target Area Rate		1.00	0.95	0.97
COMPARATIVE DATA				
National 80th Percentile		1.16	1.16	1.16
(Palmetto GBA) Jurisdiction 80th Percentile		1.15	1.15	1.16
State 80th Percentile		1.07	1.08	1.12
(CGS) Jurisdiction 80th Percentile		1.21	1.21	1.22
State 80th Percentile		1.20	1.21	1.22

6 Source: [Home Health PEPPER](#)

TARGET AREA	TARGET AREA DEFINITION		
Average Number of Episodes (Nbr Episodes)	<i>N</i> : count of episodes paid to the HHA during the report period <i>D</i> : count of unique beneficiaries served by the HHA during the report period Note: reported as a rate, not a percent.		
YOUR HOME HEALTH AGENCY	1/1/15 – 12/31/15	1/1/16 – 12/31/16	1/1/17 – 12/31/17
Target Area Rate	1.07	1.09	1.08
COMPARATIVE DATA			
National 80th Percentile	2.75	2.65	2.56
(Palmetto GBA) Jurisdiction 80th Percentile	3.19	3.14	3.06
State 80th Percentile	3.13	2.96	3.00
(CGS) Jurisdiction 80th Percentile	1.79	1.76	1.73
State 80th Percentile	1.75	1.75	1.69

7 Source: [Home Health PEPPER](#)

TARGET AREA	TARGET AREA DEFINITION		
Episodes with 5 or 6 Visits (5 or 6 visits)	<i>N</i> : count of episodes with 5 or 6 visits paid to the HHA during the report period <i>D</i> : count of episodes paid to the HHA during the report period		
YOUR HOME HEALTH AGENCY	1/1/15 – 12/31/15	1/1/16 – 12/31/16	1/1/17 – 12/31/17
Target Area Percent	6.7%	6.8%	4.3%
COMPARATIVE DATA			
National 80th Percentile	10.1%	10.1%	9.8%
(Palmetto GBA) Jurisdiction 80th Percentile	9.5%	9.5%	9.4%
State 80th Percentile	8.6%	8.6%	8.2%
(CGS) Jurisdiction 80th Percentile	10.2%	10.2%	9.7%
State 80th Percentile	10.4%	10.8%	11.4%

8 Source: [Home Health PEPPER](#)

TARGET AREA	TARGET AREA DEFINITION		
Non-LUPA Payments (NonLUPA)	<i>N</i> : count of episodes paid to the HHA that did not have a LUPA payment during the report period <i>D</i> : count of episodes paid to the HHA during the report period		
YOUR HOME HEALTH AGENCY	1/1/15 – 12/31/15	1/1/16 – 12/31/16	1/1/17 – 12/31/17
Target Area Percent	95.5%	96.6%	98.3%
COMPARATIVE DATA			
National 80th Percentile	97.4%	97.5%	97.4%
(Palmetto GBA) Jurisdiction 80th Percentile	97.9%	97.9%	97.8%
State 80th Percentile	97.7%	97.6%	98.0%
(CGS) Jurisdiction 80th Percentile	94.6%	94.5%	94.5%
State 80th Percentile	94.1%	94.2%	93.7%

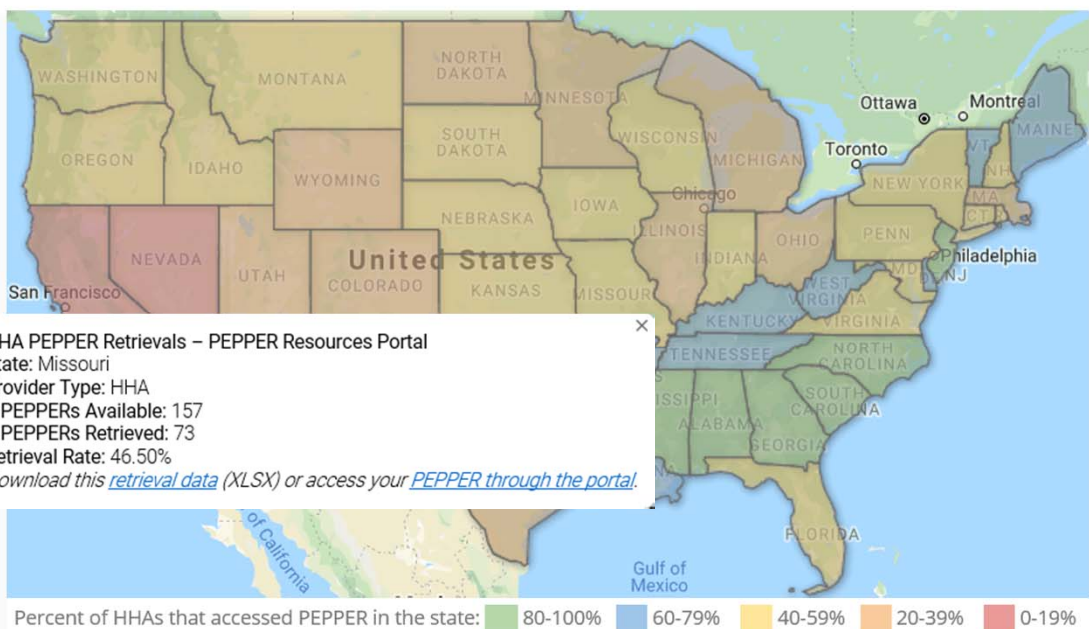
9 Source: [Home Health PEPPER](#)

TARGET AREA	TARGET AREA DEFINITION		
High Therapy Utilization Episodes (Hi Therapy Utiliz)	<i>N</i> : count of episodes with 20+ therapy visits paid to the HHA during the report period (first digit of HHRG equal to '5') <i>D</i> : count of episodes paid to the HHA during the report period		
YOUR HOME HEALTH AGENCY	1/1/15 – 12/31/15	1/1/16 – 12/31/16	1/1/17 – 12/31/17
Target Area Percent	2.1%	1.4%	1.4%
COMPARATIVE DATA			
National 80th Percentile	13.8%	14.1%	14.9%
(Palmetto GBA) Jurisdiction 80th Percentile	13.8%	13.9%	14.7%
State 80th Percentile	11.3%	12.2%	13.3%
(CGS) Jurisdiction 80th Percentile	16.0%	16.8%	18.2%
State 80th Percentile	15.7%	16.4%	16.9%

10 Source: [Home Health PEPPER](#)

TARGET AREA	TARGET AREA DEFINITION		
Outlier Payments (Outlier)	<p><i>N</i>: sum of dollar amount of outlier payments (identified by the amount where Value Code equal to '17') for episodes paid to the HHA during the report period</p> <p><i>D</i>: sum of dollar amount of total payments for episodes paid to the HHA during the report period</p>		
YOUR HOME HEALTH AGENCY	1/1/15 – 12/31/15	1/1/16 – 12/31/16	1/1/17 – 12/31/17
Target Area Percent	*	*	0.2%
COMPARATIVE DATA			
National 80th Percentile	7.9%	7.6%	7.3%
(Palmetto GBA) Jurisdiction 80th Percentile	8.2%	8.0%	7.3%
State 80th Percentile	1.1%	0.9%	2.2%
(CGS) Jurisdiction 80th Percentile	5.3%	5.2%	4.1%
State 80th Percentile	1.0%	1.9%	2.6%

11 Source: [Home Health PEPPER](#)



12 Source: [Home Health PEPPER](#)



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