Department of Health and Human Services

OFFICE OF INSPECTOR GENERAL

ENGLEWOOD HOSPITAL AND MEDICAL CENTER CLAIMED UNALLOWABLE MEDICARE PART B REIMBURSEMENT FOR OUTPATIENT CARDIAC AND PULMONARY REHABILITATION SERVICES

Inquiries about this report may be addressed to the Office of Public Affairs at Public.Affairs@oig.hhs.gov.

James P. Edert
Regional Inspector General
for Audit Services

December 2015
A-02-14-01013

Office of Inspector General

http://oig.hhs.gov

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OFFICE OF AUDIT SERVICES FINDINGS AND OPINIONS

The designation of financial or management practices as questionable, a recommendation for the disallowance of costs incurred or claimed, and any other conclusions and recommendations in this report represent the findings and opinions of OAS. Authorized officials of the HHS operating divisions will make final determination on these matters.

EXECUTIVE SUMMARY

Englewood Hospital and Medical Center improperly claimed at least $115,000 in Medicare reimbursement for outpatient cardiac and pulmonary rehabilitation services over a 2-year period.

WHY WE DID THIS REVIEW

The Medicare Improvements for Patients and Providers Act of 2008 established Medicare coverage provisions for cardiac and pulmonary rehabilitation programs. Prior to the establishment of these provisions, the Office of Inspector General (OIG) had conducted work which identified outpatient cardiac rehabilitation services claims that that did not comply with Federal requirements. The OIG is continuing to review this area to determine whether potential risks in cardiac and pulmonary rehabilitation programs exist after the provisions went into effect. Englewood Hospital and Medical Center (Englewood Hospital) was one of the top providers, in combined reimbursement, for both outpatient cardiac and pulmonary rehabilitation services in New Jersey.

The objective of this review was to determine whether outpatient cardiac and pulmonary rehabilitation services provided by Englewood Hospital were paid in accordance with Medicare requirements.

BACKGROUND

Federal regulations provide for the coverage of Medicare Part B outpatient cardiac and pulmonary rehabilitation services. For these services to be covered, they must be medically necessary and be provided in accordance with an individualized treatment plan, and include physician-prescribed exercise and a psychosocial assessment. Federal law precludes payment to any provider of services or other person without information necessary to determine the amount due the provider.

HOW WE CONDUCTED THIS REVIEW

For the period January 1, 2012, through December 31, 2013, Englewood Hospital claimed Medicare reimbursement for 6,569 outpatient cardiac and pulmonary rehabilitation services totaling $417,944. We reviewed a random sample of 100 of these claims (68 cardiac and 32 pulmonary).

WHAT WE FOUND

Englewood Hospital claimed Medicare reimbursement for outpatient cardiac and pulmonary rehabilitation services that did not comply with Medicare reimbursement requirements. Of the 100 claims in our random sample, Englewood Hospital properly claimed Medicare reimbursement for 54 claims. However, Englewood Hospital improperly claimed Medicare reimbursement for the remaining 46 claims (16 cardiac and 30 pulmonary). Of the 30 pulmonary rehabilitation services claims, 13 contained more than 1 deficiency.

These deficiencies occurred because Englewood Hospital did not follow Medicare requirements related to claiming outpatient cardiac and pulmonary rehabilitation services and did not have written policies and procedures to ensure that it claimed reimbursement for services in accordance with Medicare requirements. On the basis of our sample results, we estimated that Englewood Hospital improperly received at least $115,648 in Medicare reimbursement for outpatient cardiac and pulmonary rehabilitation services that did not comply with Medicare requirements.

WHAT WE RECOMMEND

We recommend that Englewood Hospital:

- refund $115,648 to the Federal Government and

- implement written policies and procedures to ensure that outpatient cardiac and pulmonary rehabilitation services are provided and documented in accordance with Medicare requirements.

ENGLEWOOD HOSPITAL AND MEDICAL CENTER COMMENTS AND OUR RESPONSE

In written comments on our draft report, Englewood Hospital did not indicate concurrence or nonconcurrence with our recommendations. Rather, Englewood Hospital commented on our findings. Specifically, Englewood Hospital:

- agreed with our findings for which we determined individualized treatment plans and supporting documentation did not meet Medicare requirements;

- partially agreed with our finding for which we determined that, for two claims, units billed did not meet Medicare reimbursement requirements; and

- disagreed with our findings for which we determined that pulmonary rehabilitation services did not meet Medicare physician-prescribed exercise and psychosocial assessment requirements.

Englewood Hospital also stated that it disagreed with our use of extrapolation to determine the recommended financial disallowance because it did not have the details of our sampling methodology. Englewood Hospital also questioned our combining cardiac and pulmonary rehabilitation services into a single sample frame.

After reviewing Englewood Hospital's comments, we maintain that our findings and recommendations are valid. Further, our sampling methodology was included as Appendix B of our draft report. In response to Englewood Hospital's comments, we provided Englewood Hospital with the sampling methodology as well as the output from our statistical software.

Regarding our sampling methodology, we note that the legal standard for use of sampling and extrapolation is that they must be based on a statistically valid methodology. We properly executed our statistical sampling methodology in that we defined our sampling frame and sampling unit, randomly selected our sample, applied relevant criteria in evaluating the sample, and used statistical sampling software (i.e., RAT-STATS) to apply the correct formulas for the extrapolation.

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INTRODUCTION

WHY WE DID THIS REVIEW

The Medicare Improvements for Patients and Providers Act of 2008 established Medicare coverage provisions for cardiac and pulmonary rehabilitation programs. Prior to the establishment of these provisions, the Office of Inspector General (OIG) had conducted work which identified cardiac rehabilitation service claims that that did not comply with Federal requirements. The OIG is continuing reviews in these areas to determine whether potential risks in cardiac and pulmonary rehabilitation programs exist after these provisions went into effect.

Englewood Hospital and Medical Center (Englewood Hospital) was one of the top providers, in combined reimbursement, for both outpatient cardiac and pulmonary services in New Jersey during calendar years (CYs) 2010 and 2012.

OBJECTIVE

Our objective was to determine whether outpatient cardiac and pulmonary rehabilitation services provided by Englewood Hospital were paid in accordance with Medicare requirements.

BACKGROUND

The Medicare Program

The Medicare program, established by Title XVIII of the Social Security Act (the Act), provides health insurance coverage to people aged 65 and over, people with disabilities, and people with end-stage renal disease. The Centers for Medicare & Medicaid Services (CMS) administers the Medicare program.

Medicare Part B provides supplementary medical insurance for medical and other health services, including outpatient cardiac and pulmonary rehabilitation services. CMS contracts with Medicare contractors to process and pay Part B claims.

Medicare Outpatient Cardiac and Pulmonary Rehabilitation Services

Medicare Part B provides for coverage of items and services furnished under a cardiac and pulmonary rehabilitation program (sections 1861(s)(2)(CC)(eee)(1) and 1861(s)(2)(CC)(fff)(1) of the Act).

Cardiac rehabilitation is a professionally supervised program to help people recover from heart attacks, heart surgery and percutaneous coronary intervention procedures such as stenting and angioplasty. Cardiac rehabilitation programs usually provide education and counseling services to help heart patients increase physical fitness, reduce cardiac symptoms, improve health and reduce the risk of future heart problems, including heart attack. Pulmonary rehabilitation is typically a physician-supervised, multidisciplinary program individually tailored and designed to

optimize physical and social performance and autonomy of care for patients with chronic respiratory impairment. The main goal is to empower the individuals' ability to exercise independently. Exercise is combined with other training and support mechanisms to encourage long-term adherence to the treatment plan.

Federal regulations provide for the coverage of Medicare Part B outpatient cardiac and pulmonary rehabilitation services.[1] For these services to be covered, they must be medically necessary and be provided in accordance with an individualized treatment plan, and include physician-prescribed exercise and a psychosocial assessment. Federal law precludes payment to any provider of services or other person without information necessary to determine the amount due the provider.[2]

Medicare requirements for outpatient cardiac and pulmonary rehabilitation services are further clarified in chapter 15 of CMS's *Medicare Benefits Policy Manual* (Pub. 100-02) and in chapter 32 of its *Medicare Claims Processing Manual* (Pub. 100-04).

Englewood Hospital and Medical Center

Englewood Hospital is an acute care teaching hospital located in Englewood, New Jersey, that provides, among other services, outpatient cardiac and pulmonary rehabilitation services to Medicare beneficiaries.

HOW WE CONDUCTED THIS REVIEW

For CYs 2012 through 2013, Englewood Hospital claimed Medicare reimbursement for outpatient cardiac and pulmonary rehabilitation services. Our sampling frame consisted of 6,569 outpatient cardiac and pulmonary rehabilitation service claims (5,307 cardiac and 1,262 pulmonary), totaling $417,944, of which we reviewed a random sample of 100 claims.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix A contains the details of our audit scope and methodology, Appendix B contains our statistical sampling methodology, and Appendix C contains our sample results and estimates.

FINDINGS

Englewood Hospital claimed Medicare reimbursement for outpatient cardiac and pulmonary rehabilitation services that did not comply with Medicare reimbursement requirements. Of the

[1] 42 CFR §§ 410.47 and 410.49

[2] Section 1833(e) of the Act.

100 claims in our random sample, Englewood Hospital properly claimed Medicare reimbursement for 54 claims. However, Englewood Hospital improperly claimed Medicare reimbursement for the remaining 46 claims (16 cardiac and 30 pulmonary). Specifically:

- For 30 claims (14 cardiac and 16 pulmonary), the individualized treatment plan did not meet Medicare requirements.

- For 15 claims, pulmonary rehabilitation services did not meet Medicare physician-prescribed exercise requirements.

- For 14 claims, pulmonary rehabilitation services did not meet Medicare psychosocial assessment requirements.

- For two claims, units billed for cardiac rehabilitation services did not meet Medicare reimbursement requirements.

- For two claims, supporting documentation for pulmonary rehabilitation services did not meet Medicare requirements.

Of the 30 pulmonary rehabilitation service claims, 13 contained more than 1 deficiency.

These deficiencies occurred because Englewood Hospital did not follow Medicare requirements related to claiming cardiac and pulmonary rehabilitation services and did not have written policies and procedures to ensure that it claimed reimbursement for services in accordance with Medicare requirements. On the basis of our sample results, we estimated that Englewood Hospital improperly received at least $115,648 in Medicare reimbursement for outpatient cardiac and pulmonary rehabilitation services that did not comply with Medicare requirements.[3]

INDIVIDUALIZED TREATMENT PLAN DID NOT MEET MEDICARE REQUIREMENTS

Cardiac rehabilitation programs must include an individualized treatment plan that must be established, reviewed, and signed by a physician every 30 days (42 CFR § 410.49). In addition, this plan should be written and tailored to each individual patient and include (i) a description of the individual's diagnosis; (ii) the type, amount, frequency, and duration of the cardiac rehabilitation items/services furnished; and (iii) the goals set for the individual under the plan (*Medicare Benefits Policy Manual*, chapter 15, § 232).

Pulmonary rehabilitation programs must include an individualized treatment plan that must be established, reviewed, and signed by a physician, who is involved in the patient's care and has

[3] To be conservative, we recommend recovery of overpayments at the lower limit of a two-sided 90-percent confidence interval. Lower limits calculated in this manner will be less than the actual overpayment total at least 95 percent of the time.

knowledge related to his or her condition, every 30 days (42 CFR § 410.47).[4] The plan must specify the type, amount, frequency, and duration of pulmonary rehabilitation items and services furnished to the individual, and the appropriate mix of services for the patient's needs. It must also include measurable and expected outcomes and estimated timetables to achieve these outcomes (*Medicare Benefits Policy Manual*, chapter 15, § 231).

For 30 claims (14 cardiac and 16 pulmonary), Englewood Hospital received Medicare reimbursement for services for which the individualized treatment plan did not meet Medicare requirements. Specifically:

- **Plan signed after date of service.** For 21 claims (9 cardiac and 12 pulmonary), the individualized treatment plan (established prior to the date of service) was signed by a physician after the date of service.

- **No plan for date of service.** For 8 claims (5 cardiac and 3 pulmonary), an individualized treatment plan was not established, reviewed, and signed by a physician for the date of service.

- **Plan was not dated.** For one pulmonary rehabilitation claim, the date that the individualized treatment plan was signed was not recorded. Therefore, we could not determine that the plan was signed by a physician prior to the date of service.

PHYSICIAN-PRESCRIBED EXERCISE REQUIREMENTS NOT MET

Pulmonary rehabilitation programs must include physician-prescribed exercise, including techniques such as exercise conditioning, breathing retraining, and step and strengthening exercises. Some aerobic exercise must be included in each pulmonary rehabilitation session (42 CFR § 410.47). Both low- and high-intensity exercise are recommended to produce clinical benefits, and a combination of endurance and strength training should be conducted at least twice per week (*Medicare Benefits Policy Manual*, chapter 15, § 231).

For 15 pulmonary claims, Englewood Hospital received Medicare reimbursement for services that did not meet physician-prescribed exercise requirements.

[4] The plan may initially be developed by the referring physician or the pulmonary rehabilitation physician. If the plan is developed by the referring physician who is not the pulmonary rehabilitation physician, the pulmonary rehabilitation physician must also review and sign the plan prior to imitation of the pulmonary rehabilitation program. It is expected that the supervising physician would have initial, direct contact with the individual prior to subsequent treatment by ancillary personnel, and also have at least one direct contact in each 30-day period.

PSYCHOSOCIAL ASSESSMENT REQUIREMENTS NOT MET

Pulmonary rehabilitation programs must include a psychosocial evaluation of the individual's response to and rate of progress under the treatment plan (42 CFR § 410.47). This assessment requires a written evaluation of an individual's mental and emotional functioning as it relates to the individual's rehabilitation or respiratory condition. Periodic reevaluations are necessary to ensure the individual's psychosocial needs are being met (*Medicare Benefits Policy Manual*, chapter 15, § 231).

For 14 pulmonary claims, Englewood Hospital received Medicare reimbursement for services that did not meet psychosocial assessment requirements.

UNITS BILLED DID NOT MEET MEDICARE REIMBURSEMENT REQUIREMENTS

To report one session of cardiac rehabilitation services in a day, the duration of treatment must be at least 31 minutes. Two sessions may only be reported in the same day if the duration of treatment is at least 91 minutes (*Medicare Claims Processing Manual*, chapter 32, §140.2.1).

For two cardiac claims, Englewood Hospital received Medicare reimbursement for services that did not meet Medicare reimbursement requirements for units billed. Specifically, for one claim the total cardiac rehabilitation session was under 31 minutes and was billed for one unit, and the other claim was under 91 minutes and was billed for two units.

SUPPORTING DOCUMENTATION DID NOT MEET MEDICARE REQUIREMENTS

Section 1833(e) of the Act states that no payment shall be made to any provider of services or other person unless there has been furnished such information as may be necessary in order to determine the amounts due such provider. In addition, according to 42 CFR § 424.5(a)(6), a provider must furnish to its Medicare Administrative Contractor sufficient information to determine whether payment is due and the amount of payment.

For two pulmonary claims, Englewood Hospital received Medicare reimbursement for services for which supporting documentation did not meet Medicare requirements. Specifically, for one claim, Englewood Hospital did not provide a case record. For the other claim, Englewood Hospital did not provide a service note for the date of service.

CONCLUSION

On the basis of our sample results, we estimated that Englewood Hospital improperly received at least $115,648 in Medicare reimbursement for outpatient cardiac and pulmonary rehabilitation services that did not comply with Medicare requirements.

RECOMMENDATIONS

We recommend that Englewood Hospital:

- refund $115,648 to the Federal Government and

- implement written policies and procedures to ensure that outpatient cardiac and pulmonary rehabilitation services are provided and documented in accordance with Medicare requirements.

ENGLEWOOD HOSPITAL AND MEDICAL CENTER COMMENTS

In written comments on our draft report, Englewood Hospital did not indicate concurrence or nonconcurrence with our recommendations. Rather, Englewood Hospital commented on our findings. Specifically:

- Englewood Hospital agreed with our findings for which we determined individualized treatment plans and supporting documentation did not meet Medicare requirements.

- Englewood Hospital partially agreed with our finding for which we determined that, for two claims, units billed did not meet Medicare reimbursement requirements. Englewood Hospital agreed with our determination for one claim and, for the other, stated that the time calculated incorporated both exercise and patient education.

- Englewood Hospital disagreed with our findings for which we determined that pulmonary rehabilitation services did not meet Medicare physician-prescribed exercise and psychosocial assessment requirements. Englewood Hospital stated that it is confident that these services met Medicare requirements, although its documentation for these claims may not have met our standards. Nevertheless, Englewood Hospital stated that it plans to implement corrective actions to ensure compliance with Medicare documentation requirements.

Englewood Hospital also stated that it disagreed with our use of extrapolation to determine the recommended financial disallowance because it did not have the details of our sampling methodology. Englewood Hospital also questioned our combining cardiac and pulmonary rehabilitation services into a single sample frame.

Englewood Hospital's comments are included in their entirety as Appendix D.

OFFICE OF INSPECTOR GENERAL RESPONSE

After reviewing Englewood Hospital's comments, we maintain that our findings and recommendations are valid. Further, our sampling methodology was included as Appendix B of our draft report. In response to Englewood Hospital's comments, we provided Englewood Hospital with the sampling methodology as well as the output from our statistical software.

Regarding the claim for which Englewood Hospital stated that the time calculated incorporated both exercise and patient education, the hospital did not provide documentation to support its assertion that patient education was provided. Exercise related to this claim was provided; however, it was for less than 31 minutes and, therefore, did not meet the threshold for billing 1 unit of service. For those claims for which Englewood Hospital stated that its documentation did not meet our standards, we note that we made our determinations based on Medicare documentation requirements and, for certain claims, consulted with the Medicare Administrative Contractor for New Jersey.

Regarding our sampling methodology, we note that the legal standard for use of sampling and extrapolation is that they must be based on a statistically valid methodology. We properly executed our statistical sampling methodology in that we defined our sampling frame and sampling unit, randomly selected our sample, applied relevant criteria in evaluating the sample, and used statistical sampling software (i.e., RAT-STATS) to apply the correct formulas for the extrapolation.

APPENDIX A: AUDIT SCOPE AND METHODOLOGY

SCOPE

Our review covered 6,569 outpatient cardiac and pulmonary rehabilitation claims, totaling $417,944 ($372,510 for cardiac rehabilitation services and $45,434 for pulmonary rehabilitation services) that Englewood Hospital provided during CYs 2012 through 2013.

We limited our review of Englewood Hospital's internal controls to those applicable to our objective. Specifically, we obtained an understanding of the hospital's procedures for documenting and billing for outpatient cardiac and pulmonary rehabilitation services. Our review enabled us to establish reasonable assurance of the authenticity and accuracy of the data obtained from CMS's National Claims History file, but we did not assess the completeness of the file.

We performed our fieldwork at Englewood Hospital in Englewood, New Jersey, from June 2014 through June 2015.

METHODOLOGY

To accomplish this objective, we:

- reviewed applicable Medicare laws, regulations and guidance;
- interviewed Englewood Hospital officials to gain an understanding of its policies and procedures related to providing, documenting, and billing for outpatient cardiac and pulmonary rehabilitation services;
- extracted from CMS's National Claims History file a sampling frame of 6,569 outpatient cardiac and pulmonary rehabilitation services claims, totaling $417,944, for CYs 2012 through 2013;
- selected a random sample of 100 cardiac and pulmonary rehabilitation service claims from the sampling frame;
- obtained and reviewed medical record documentation from Englewood Hospital for each sample item to determine whether the services were provided in accordance with Medicare requirements;
- utilized Novitas Solutions, Inc. (Novitas) medical review staff to determine whether some sampled claims met certain Medicare requirements;[5]
- estimated the unallowable Medicare reimbursement paid in the total sampling frame of 6,569 claims; and

[5] Novitas serves as the Medicare Part B Medicare Administrative Contractor for providers in New Jersey.

- discussed the results of our review with Englewood Hospital officials.

Appendix B contains our statistical sampling methodology and Appendix C contains our sample results and estimates.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

APPENDIX B: STATISTICAL SAMPLING METHODOLOGY

POPULATION

The population consisted of all Medicare Part B outpatient cardiac and pulmonary rehabilitation services claims provided by Englewood Hospital during CYs 2012 through 2013.

SAMPLING FRAME

The sampling frame is an Access database containing 6,569 outpatient cardiac and pulmonary rehabilitation service claims, totaling $417,944 ($372,510 for 5,307 cardiac rehabilitation and $45,434 for 1,262 pulmonary rehabilitation service claims), provided by Englewood Hospital during CYs 2012 through 2013. The claims data were extracted from the CMS National Claims History.

SAMPLE UNIT

The sample unit was an outpatient cardiac or pulmonary rehabilitation service claim.

SAMPLE DESIGN

We used a simple random sample.

SAMPLE SIZE

We selected a sample of 100 outpatient rehabilitation service claims.

SOURCE OF THE RANDOM NUMBERS

We generated the random numbers with the Office of Inspector General, Office of Audit Services (OAS), statistical software.

METHOD FOR SELECTING SAMPLE ITEMS

We consecutively numbered the sample units in the sampling frame. After generating 100 random numbers, we selected the corresponding frame items.

ESTIMATION METHODOLOGY

We used the OAS statistical software to calculate our estimates. We estimated the total amount of inappropriate Medicare payments for unallowable outpatient cardiac and pulmonary rehabilitation services made to Englewood Hospital at the lower limit of the 90-percent confidence interval.

APPENDIX C: SAMPLE RESULTS AND ESTIMATES

Sample Details and Results

Claims in Frame	Value of Frame	Sample Size	Value of Sample	No. of Unallowable Claims	Value of Unallowable Claims
6,569	$417,944	100	$5,971	46	$2,194

Estimated Value of Unallowable Claims
(Limits Calculated for a 90-Percent Confidence Interval)

Point Estimate	$144,130
Lower Limit	115,648
Upper Limit	$172,612

APPENDIX D: ENGLEWOOD HOSPITAL AND MEDICAL CENTER COMMENTS

October 14, 2015

Mr. James Edert
Regional Inspector General for Audit Services
Office of Audit Services, Region II
Jacob K. Javits Federal Builiding
26 Federal Plaza, Room 3900
New York, NY 10278

Re: Draft Report A-02-14-01013

Dear Mr. Edert,

Englewood IIospital and Medical Center ("EIIMC") appreciates this opportunity to provide a response to the U.S. Department of Health and Human Services, Office of the Inspector General ("OIG") Draft Report A-02-14-01013.

EHMC is committed to compliance with all federal regulations and requirements governing its participation in federally funded health care programs. We appreciate the opportunity this review has provided in further clarifying the documentation requirements for the provision of Cardiac and Pulmonary Rehabilitation Services. EHMC takes pride in the quality of services provided to our patient population by these programs, and has implemented additional internal controls, where appropriate, as a result of these specific findings.

In response to the Draft Report findings, EHMC respectfully provides the following comments:

1) **Individualized Treatment Plan Did Not Meet Medicare Requirements**

   EHMC concurs with this finding overall. EHMC acknowledges that in the majority of the instances cited, a timely updated individualized treatment plan was developed by EHMC staff and provided to the patient's independent physician, but was not signed and returned by the patient's independent physician timely (within 30 days of the previous plan of treatment). We also recognize the potential harm to patients in the event therapy is discontinued following the inability of a private practitioner to return the updated plan of care. To remedy this, while recognizing that prohibiting our patients from receiving continuing rehabilitation services can negatively impact their health and well-being, EHMC has implemented additional steps to require the patient's independent physician to

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return a signed and dated plan of care to EHMC within 30 days of the previously signed plan.

2) Pulmonary Rehabilitation Physician-Prescribed Exercise Requirements Not Met

EHMC disagrees with this finding overall, as it has reviewed Medicare's pulmonary rehabilitation physician-prescribed exercise requirements and is confident that the services provided by EHMC meet these requirements, although the documentation may not have demonstrated this to OIG's satisfaction. Nonetheless, EHMC plans to reeducate its staff on the necessary documentation requirements based on these findings, and will update its documentation standards and perform internal documentation checks to ensure that visit documentation more clearly articulates compliance with the requirements.

3) Psychosocial Assessment Requirements Not Met

EHMC disagrees with this finding, as it has reviewed Medicare's requirements pertaining to psychosocial assessments and is confident that the services provided by EHMC meet these requirements, although the documentation may not have demonstrated this to OIG's satisfaction. Nonetheless, EHMC plans to train its staff on the necessary Medicare documentation requirements based on these findings, and will update its documentation standards and perform internal documentation checks to ensure that visit documentation more clearly articulates compliance with the requirements.

4) Units Billed Did Not Meet Medicare Reimbursement Requirements

EHMC concurs that for one session, the visit duration did not total the 91 minutes required to bill for two units of the service and that this session was incorrectly billed. However, EHMC disagrees that an additional claim showed that less than 31 minutes of service provided, if the time calculated incorporates both exercise and patient education.

5) Supporting Documentation Did Not Meet Medicare Requirements

EHMC concurs with this finding.

6) OIG Extrapolation of Audit Findings

EHMC disagrees with OIG's use of extrapolation to calculate a payback amount that covers two years of Cardiac and Pulmonary Rehabilitation services provided. EHMC has not been provided with the details of the OIG sampling methodology to be able to further understand how its calculations were derived, and its statistical validity. In the absence of such detail, EHMC questions the use of such

a limited set of reviewed claims to extrapolate $2,194 in preliminary findings by OIG into a payback recommendation of over fifty times that amount.

Additionally, EHMC disagrees with OIG's findings on 14 of the 30 findings of Pulmonary Rehabiliation inappropriate billing and one of the 16 findings of Cardiac Rehabilitation inappropriate billing. EHMC feels confident that it would be able to successfully appeal these findings if allowed to do so through the processes allowed under Section 1869 of the Social Security Act and 42 C.F.R. 405(I) . It is important that EHMC be afforded these due process rights prior to the use of any extrapolation methods to determine an appropriate payback amount as a result of this review.

EHMC also questions the methodology the OIG has used in apparently combining the Cardiac and Pulmonary Rehabilitation programs into a single sample. These two services are governed by the Medicare program as separate and distinct services, with their own regulatory requirements and program guidance. Additionally, EHMC's Cardiac and Pulmonary Rehabilitation programs function separately from each other in all respects, with different staff, clinical and administrative management, and documentation requirements. However, this review, and the OIG's extrapolation methodology, conflates these two distinct services. EHMC notes that OIG sampling of claims was weighted with 32% of the sample consisting of pulmonary rehabilitation claims. However, pulmonary rehabilitation accounts for 19% of the combined claims billed for these services during the period, and only 11% of the combined reimbursement amount. Additionally, the pulmonary rehabilitation claims were found to have a significantly higher error rate than cardiac rehabilitation claims, making this extrapolation disproportionate given the actual service mix. EHMC requests that OIG revisit the use of this unbalanced sample to extrapolate an appropriate payback amount.

Thank you in advance for your kind consideration to our comments. Please feel free to contact me if you have any questions.

Sincerely,

/Marc Mayer/

Marc Mayer
Director, Internal Audit and Compliance
Englewood Hospital and Medical Center

Cc: Warren Geller, President and CEO, Englewood Hospital and Medical Center

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