

## Report on Medicare Compliance Volume 29, Number 37. October 19, 2020

### OIG: Hospital Was Overpaid \$16M, Mostly for IRF; PPS Eases Burden

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By Nina Youngstrom

Although inpatient rehabilitation facilities (IRFs) got some administrative relief in the 2021 prospective payment system regulation,<sup>[1]</sup> it may not take the sting out of audits, because Medicare has a long list of precise coverage requirements for inpatient rehab and overarching expectations of medical necessity. The hit that hospitals may take is on display in a new HHS Office of Inspector General (OIG) provider compliance audit of Alta Bates Summit Medical Center in Oakland, California.<sup>[2]</sup> OIG contends the hospital was overpaid \$1,571,741, which was extrapolated to \$16.3 million, mostly because of IRF noncompliance. Alta Bates disagreed with most of OIG's findings and will appeal recoupment stemming from them.

This is at least the second OIG hospital compliance audit in six months that cited considerable IRF noncompliance.<sup>[3]</sup> St. Francis Health Center, an acute care hospital in Topeka, Kansas, was overpaid \$5.5 million in 2015 and 2016, mostly for IRF errors, according to a March OIG report.<sup>[4]</sup> IRFs provide the highest, most expensive level of care for patients who require rehab.

"If you have an IRF in your hospital or health system, it's painfully obvious you need to put this on your 2021 work plan and design your own probe audit," said Regina Alexander, senior consultant at VantagePoint HealthCare Advisors in Hamden, Connecticut. "OIG knows there's gold in them there hills." Hospitals and IRFs also should take note of two significant changes in the 2021 payment regulation, which took effect Oct. 1. CMS eliminated the requirement for a post-admission physician evaluation for all discharges on or after Oct. 1, 2020, which had already been waived during the COVID-19 public health emergency, Alexander said. "This is not a requirement compliance officers should worry about auditing," she noted.

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