
Program Memorandum

Carriers

Department of Health and
Human Services (DHHS)
HEALTH CARE FINANCING
ADMINISTRATION (HCFA)

Transmittal B-00-42

Date: August 11, 2000

CHANGE REQUEST 1247

SUBJECT: Analysis of Services Provided in Congregate Settings

As part of HCFA's Comprehensive Plan for Program Integrity, a Congregate Care Workgroup was convened to address Medicare's vulnerability in situations where groups of beneficiaries live together or routinely gather together at one place, such as an assisted living facility. One of the problems identified with these congregate situations is a "gang" visit where services are furnished to a group of beneficiaries, whether or not the services are medically necessary. In such situations, unscrupulous providers also have easy access to Medicare numbers, thus allowing them to bill for services not furnished at all.

To address the aforementioned issues, the Office of Financial Management developed a strategy for analyzing claims data that would identify these problems in congregate care situations. After creating a national database of 1998 physician claims, the "per provider" daily utilization of Medicare services in various settings was calculated. The application of these algorithms served to identify the provider specialties and the UPINs in those specialties where the number of services in a day appeared to be significantly higher in the congregate care settings than in other ambulatory or hospital based settings.

Under separate cover, you will receive two attachments relating to the analysis of that data.

Attachment I will contain the carrier-specific results of this data analysis. The report referred to as Attachment I and II in this Program Memorandum (PM) is not available electronically, however, it will be available with the printed version of this PM.

The physicians listed on the reports for each carrier are included because they have met two criteria:

- 1) Their profiling number was associated with at least one day where the daily services exceeded the 99th percentile for daily services in a congregate care settings when this statistic was computed at the national level, and
- 2) The median for the physician's services was significantly higher than the national median for his/her peers.

Attachment II will contain information on services that were excluded from the data analysis.

When you have received the attachments and as your workload for fiscal year 2001 permits, utilize the information to develop project protocols to address these vulnerabilities. This may be done in one of two ways:

- 1) Employ the same "services in a day in congregate settings" strategy in analyzing current claims data to identify physician claims for review, or
- 2) Conduct some type of medical review or fraud analysis on current claims associated with the UPINs identified in the analysis of 1998 data. If you have already reviewed/analyzed claims for the UPINs in question, notify your regional office of the results.

Please provide the medical review contact in your respective regional office with a description of any congregate care project that you undertake using this or any other data analysis strategy. Also, be prepared to provide your project(s) findings to the Congregate Care Workgroup at the close of the fiscal year.

The *effective date* for this PM is October 1, 2000.

The *implementation date* for this PM is October 1, 2000.

These instructions should be implemented within your current operating budget.

This PM may be discarded October 1, 2001.

If you have any questions, contact Jeanne Reddick at (214) 767-4448.

Attachments

THIS PAGE HAS BEEN RESERVED FOR THE ATTACHMENTS