

Long Term Care Hospital Fraud (LTCH fraud)
(also known as Long-Term Acute Care Hospital or LTACH fraud)

During 2002, Medicare began paying long term acute care hospitals on a prospective payment system (PPS), which is called LTACH-PPS. Under LTACH-PPS, Medicare pays a fixed or set price to long-term acute care hospitals. Because patients staying long term at a hospital can cost more than the stay for patients at general hospitals, Medicare pays a higher rate to LTACH's, *provided* they meet the requirements of being a long-term acute care hospital. Specifically, the LTACH must have an average inpatient length of stay for Medicare patients greater than 25 days. LTACHs that fail to exceed the 25 day rule for Medicare patients must repay Medicare the higher rates. This can mean millions of dollars.

LTACH Fraud: Extending Stays

Many long term acute care hospitals engage in fraud schemes to make it appear that they meet the 25 day average stay when they really do not. For instance, they keep many patients longer than medically necessary just to pad their numbers of days. In other words, administrators purposefully delay in creating discharge plans. They may even lie to family members, claiming the doctor wants them to stay a few more days. They also delay in contacting nursing homes or hospice facilities where the patient is suppose to go just to keep them longer in their hospital.

LTACH Fraud: Interrupted Stays

Other long term care hospitals engage in fraud schemes to bill more costs to Medicare by circumventing the "interrupted stay" regulation, which does not pay LTACH's more funds if they discharge patients for less than 10 days before readmitting them. The purpose of this rule is to prevent a LTACH from transferring a patient to another provider just to bring them back so they can bill more. For instance, suppose Jane Doe is admitted to LTACH for an illness that she is expected to be in the hospital for 30 days. (Note: a LTACH does not get paid for days after the allowed length of stay. But if after 10 days away, it can readmit the patient and keep billing.) If on day 28, Jane develops a condition requiring intensive care, she is properly transferred to an ICU hospital. Assume Jane gets better in 8 days and should go back to the LTACH. But, the LTACH will not get paid more if she returns in less than 10 days, so the LTACH blocks the admission by stalling and refusing to allow the patient to be transferred back until 10 days passed. This is fraud, and the LTACH must repay the extra billing submitted to Medicare.

Damages

If a LTACH routinely commits these types of fraud over the course of a few years, the damages to Medicare can be in the millions of dollars. In fact, the government is becoming more suspicious of LTACH's and has recently begun auditing LTACH's looking for those that are improperly extending stays. Mr. Hesch is helping whistleblowers file claims against LTACH's. Find out if you have a case in which a sizeable reward is available.

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