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Eli's Rehab Report

Industry Notes: Home Care Companies Stand By Their Practices

The home care companies that are the subject of the Senate Finance Committee's report are themselves weighing in. Amedisys Inc., which was probably the most criticized in the report, issued a statement saying, "we are disappointed with the Committee's conclusions, and we stand by our company's integrity, ethics, and patient care practices. We are proud of our mission, which is to provide the highest quality care for our nation's chronically ill, elderly population, while managing a compliant, efficient and financially sound business."

Likewise, Gentiva Health Services "maintains its belief that the company is providing the highest quality of care and receives payment within the standards set forth by the reimbursement system established by ...CMS," it says in a statement. "Gentiva's therapy utilization patterns were not driven by the adjustment to reimbursement in January of 2008," the chain maintains. "The care pattern in 2008 ... is very similar to the care pattern in 2007."

LHC Group Inc. entered into a settlement with the Department of Justice on a case that partially involved medical necessity of therapy services, the company notes in a release. "In the course of that inquiry, all of the materials supplied by LHC Group to the Senate Finance Committee were also supplied to the Department of Justice," the chain points out. "LHC Group is pleased to have put this matter behind us."

Almost Family Inc. applauds the Senate Finance investigators for essentially clearing it of charges about pressuring staff to hit thresholds. "Our corporate office does not dictate care plans to our local clinicians," Almost Family CEO **William Yarmuth** says in a release.

Stockholders don't seem entirely convinced of the companies' arguments. Stock prices for Amedisys, LHC and Gentiva have seen double-digit decreases since the report was issued. Gentiva's stock has been particularly hard hit, with a decrease of more than 50 percent.

- **LHC group pays $65 million to settle lawsuit.** National chain enters into CIA with OIG. It doesn't have to be your own employee who drags you into an expensive qui tam lawsuit.

National chain LHC Group Inc. is shelling out $65 million to settle false claims charges first lodged in a lawsuit from an employee of a consulting firm it hired for quality initiatives. The suit pending in Louisiana federal court charges that certain LHC medical records did not contain sufficient documentation to support medical necessity, LHC explains in a release.

LHC "disputes the government's claims and includes no admission or determination of wrongdoing" in the settlement, it notes. The Lafayette, La.-based company "chose to settle to avoid the disruption and expense of a multi-year legal dispute with the government," it says.

Important point: "The settlement includes a release from the government for any claims for the period of 2006 to 2008 related to home health services, including skilled nursing visits, therapy visits and home health aide visits," LHC says. This is good news for the company, since the Department of Justice has been looking into the four publicly traded home care companies' therapy billing during this time period. Under the settlement, LHC also has entered into a corporate integrity agreement with the HHS Office of Inspector General.

- **Check and double check your employees for exclusion from federal health care programs.** That's a lesson that Hospice of the Finger Lakes in Auburn, N.Y. has learned the hard way.

After it self-disclosed conduct to the HHS Office of Inspector General, Hospice of the Finger Lakes "agreed to pay $35,831.70 for allegedly violating the Civil Monetary Penalties Law," the OIG says on its website. "The OIG alleged that

HFL employed an individual that it knew or should have known was excluded from participation in Federal health care programs."

To read more about the violation, visit http://oig.hhs.gov/fraud/enforcement/cmp/false_claims.asp.