Hospice Minute: Beware the "Friendly" ZPIC Letter

Beware the "Friendly" ZPIC Letter

Zone Program Integrity Contractors (ZPICs) are developing new strategies—so should hospices. Recently, hospices have been receiving a letter from their ZPIC that purports to merely inform the hospice about a complaint and provide "education." These letters do not seek records, do not announce an overpayment determination, and do not require the hospice to take any action, but hospices should think twice about any letter from a ZPIC and this kind of letter is no different. ZPICs are focused on identifying fraud, waste and abuse, and are looking for ways to build cases against hospices. These letters can fit into that strategy. Below we highlight additional information about these letters and present an action plan for hospices that receive these "friendly" letters.

What Is in the Letter?

In these notice and education letters, the ZPIC informs the hospice that a complaint was made and provides a brief, often vague description of the complaint. The bulk of the letter contains "education" in the form of lengthy quotations from federal statutes, hospice regulations or CMS guidance. The letter concludes with a description of additional significant actions that could be taken against the hospice if educational efforts fail to correct the alleged problem, including (1) additional monitoring of the hospice, (2) withholding of future payments from Medicare (3) civil monetary penalties, and (4) exclusion from Medicare. However, the letter does not explicitly require the hospice to take any specific action.

Who Is Sending the Letter?

AdvanceMed Corporation, an NCI company, appears to be at the forefront of issuing these letters. Moreover, AdvanceMed was recently awarded the contract for Zone 3 (Illinois, Indiana, Kentucky, Michigan, Minnesota, Ohio and Wisconsin), previously held by Cahaba Safeguard Administrators (Cahaba), and hospices that previously received document requests and onsite interviews by Cahaba are now receiving follow-up contact from AdvanceMed. Hospices should also be vigilant about receiving these letters from other ZPICs, such as Safeguard Services (SGS)

POSTED:

Nov 6, 2015

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and Health Integrity.

What Should a Hospice Do?

Based on the particular circumstances involving your letter, consider taking these steps:

- **Pay Attention**. Know which ZPICs may be sending correspondence, and confirm that hospice staff knows who the applicable ZPIC is and who at the hospice should be alerted to ZPIC communications. If you receive the notice and education letter described in this Hospice Minute, which does not explicitly require any action on the hospice's part, don't simply file it away.
- **Consider Responding**. Depending on the letter's contents, evaluate whether to respond to the ZPIC. If the description of the complaint is vague, consider writing a brief letter, crafted with the assistance of legal counsel, to request more information about the complaint. Sending such written communication to the ZPIC can demonstrate the hospice's prompt diligence in seeking to address the complaint that triggered action by the ZPIC in the first place. A response that seeks further details about the complaint may also result in the ZPIC providing additional information that will help the hospice plan and conduct an internal investigation, as described below.
- **Conduct Internal Investigation**. Because the hospice is notified of a complaint through these letters, and a failure to educate can result in severe adverse actions, work with legal counsel on developing a plan for investigating the complaint. This investigation should be conducted under attorney-client privilege. A hospice attorney or lawyer can assist with defining the scope of the investigation. Taking appropriate action, based on the investigation's results, demonstrates the hospice's efforts to address any alleged issues.

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