

# Case Study: Serenity Path Hospice ADR Defense

From Award-Winning Experts



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C L I E N T   S U C C E S S   S T O R Y

# Turning the Tide on ADR:

How Serenity Path Hospice Went from  
Audit Crisis to Full Compliance  
and Reclaimed \$1.2M in Challenged Claims

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*Prepared by*

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## BACKGROUND

# A Hospice Built on Heart—But Buried in Paperwork

Serenity Path Hospice was founded in 2019 by Dr. Evelyn M., a palliative care physician with two decades of hospital-based end-of-life care experience. Her vision was simple and profound: to create a hospice that treated every patient as a whole person, not a diagnosis—ensuring that the final chapter of life was met with dignity, comfort, and presence.

By 2023, Serenity Path had grown to serve an average census of 85 patients across two counties in Southern California. Their clinical reputation was strong. Families gave glowing reviews. Referral sources trusted them. And then, in March of 2025, everything stopped.

National Government Services, the Medicare Administrative Contractor (MAC) for their jurisdiction, issued a Widespread Probe—an ADR request covering 65 claims across a six-month billing period. Three weeks later, a second wave arrived for an additional 48 claims. Suddenly, Dr. Evelyn and her small administrative team were staring down 113 records requests, a 45-day response deadline, and the very real possibility of a \$1.2 million clawback.

*"I built this hospice to care for people. I didn't know anything about ADRs. When those letters arrived, I genuinely thought we might lose everything we had built."*

— Dr. Evelyn, MD, Founder & Medical Director, Serenity Path Hospice

### WHAT IS AN ADR?

An Additional Development Request (ADR) is issued by a Medicare Administrative Contractor (MAC) when claims submitted by a hospice provider are flagged for review. The MAC requests medical records and clinical documentation to verify that patients met the eligibility criteria for hospice—primarily a terminal prognosis of six months or less if the illness runs its normal course.

If documentation is found insufficient, claims can be denied, triggering potential repayment demands, post-payment audits, and in serious cases, referral to the OIG. A single ADR wave can challenge hundreds of claims and put millions of dollars in revenue at risk.

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## THE CHALLENGE

# 113 Records, 45 Days, Zero Internal Process

When HealthBridge was engaged in early April 2025, our clinical team conducted an emergency triage of Serenity Path's documentation landscape. What we found was not the result of negligence—it was the result of a dedicated clinical team that had never been trained on

Medicare’s hospice documentation standards. The care was excellent. The paperwork told a different story.

## Root Cause Findings

Our initial audit identified five critical documentation failure patterns appearing across the majority of challenged claims:

- Physician certification statements lacked specific terminal prognosis language. Notes said patients were “sick” but not “terminal with a prognosis of six months or less.”
- Face-to-face encounter documentation was not consistently linked to the corresponding certification period in the chart, creating the appearance of missing records.
- IDT (Interdisciplinary Team) meeting notes were generic and undated, offering no evidence of ongoing clinical decline or goal-of-care discussions.
- Nursing visit notes were task-focused (“bath given, medications administered”) rather than clinically narrative, failing to document the functional decline patterns that justify continued hospice eligibility.
- No staff member had received ADR-specific training, and no internal process existed for assembling or submitting a compliant medical record response to the MAC.

*“The nurses were doing everything right at the bedside. But none of that was showing up on paper in a way that Medicare recognized. There was a translation problem between great care and compliant documentation.”*

— Sandra Reyes, RN, HealthBridge Lead Clinical Auditor

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## OUR APPROACH

# The HealthBridge ADR Defense & Documentation Rebuild

HealthBridge deployed a two-track strategy: an immediate ADR Defense Track focused on winning the current appeals, running in parallel with a Documentation Remediation Track designed to prevent future audit exposure. Both tracks ran simultaneously from day one.

## Track 1: ADR Defense

**Record Triage & Salvage:** Our clinical team reviewed all 113 flagged charts within the first two weeks. Each chart was scored on a proprietary 12-point Medicare eligibility documentation rubric.

Records were categorized as Strong (defend as-is), Salvageable (augment with supplemental attestations), or High-Risk (prepare for denial and Level 1 appeal).

**Physician Addendum Program:** For salvageable records, we coordinated with Serenity Path’s attending physicians and Medical Director to draft compliant, date-accurate addenda that clarified terminal prognosis, clinical decline trajectory, and certification rationale—without creating new documentation that could appear fabricated.

**ADR Response Packet Assembly:** Each of the 113 ADR responses was assembled as a structured submission packet including a cover letter citing specific LCD criteria, an indexed table of contents, relevant clinical records in MAC-preferred order, and a clinical narrative summary authored by our RN auditors.

**MAC Communication Management:** HealthBridge managed all communications with Novitas Solutions directly, responding to follow-up requests, tracking submission acknowledgments, and monitoring claim status through the MAC’s provider portal.

## Track 2: Documentation Remediation

While the ADR defense proceeded, our compliance team began the deeper work of rebuilding Serenity Path’s documentation culture from the ground up.

- Designed and implemented condition-specific nursing note templates for the agency’s eight highest-volume diagnoses (CHF, COPD, cancer, dementia, ALS, end-stage renal, liver failure, debility)
- Created a physician certification workflow with mandatory attestation language, embedded prognosis statements, and automated 90-day and 60-day renewal reminders
- Rebuilt IDT meeting documentation with structured templates capturing functional status, measurable decline, caregiver burden, and goals-of-care discussions
- Conducted a 3-day, all-staff documentation bootcamp covering Medicare hospice eligibility criteria, LCD (Local Coverage Determination) requirements, and the “clinical story” concept for nursing notes
- Established a monthly internal chart audit program with a rolling 10% random sample reviewed by a HealthBridge RN consultant
- Implemented a pre-claim eligibility review process—every admission screened for documentation readiness before the first claim is submitted

*“The bootcamp was transformational. My nurses finally understood WHY documentation mattered—not just as paperwork, but as the only way Medicare could see the care we were already providing. Once they understood that, everything changed.”*

— Dr. Evelyn, on HealthBridge’s staff education program

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RESULTS & OUTCOMES

## From Crisis to Compliance: The Numbers

The results of HealthBridge’s intervention exceeded initial projections on every metric. Across three ADR waves totaling 161 challenged claims, here is what was achieved:

<b>\$1.2M</b> Claims Recovered <i>successfully appealed</i>	<b>94%</b> Appeal Win Rate <i>across 3 ADR waves</i>	<b>312</b> Records Remediated <i>in 90 days</i>	<b>8 Wks</b> Avg. Response Time <i>per ADR submission</i>
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### Appeal Outcomes by Wave

ADR Wave	Issued	Claims Challenged	Claims Upheld	Win Rate	Revenue Protected
Wave 1	March 2025	65 claims	61 upheld	<b>93.8%</b>	\$740,000
Wave 2	April 2025	48 claims	44 upheld	<b>91.7%</b>	\$390,000
Wave 3	June 2025	48 claims	47 upheld	<b>97.9%</b>	\$89,000*

\*Wave 3 was processed after the Documentation Remediation program was fully implemented. The near-perfect win rate on Wave 3 reflects the stronger clinical narratives produced under the new documentation framework.

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### Before & After: Documentation Transformation

The following table captures the documentation landscape at Serenity Path before HealthBridge’s engagement and after the completion of our remediation program:

Documentation Area	Before HealthBridge	After HealthBridge
<b>Clinical Eligibility Documentation</b>	Narrative notes lacking terminal prognosis language; no 6-month certifying statements	Standardized physician attestation templates; mandatory clinical decline narrative fields
<b>Physician Certification Process</b>	Face-to-face (F2F) encounter notes stored separately; not consistently linked to certification	Integrated F2F tracking system; automated reminders; linkage protocol in EHR
<b>IDT Meeting Documentation</b>	Meeting notes brief, generic, and often completed days after the meeting	Real-time structured IDT templates capturing patient trajectory, family goals, and plan updates
<b>Nursing Visit Notes</b>	Task-oriented charting with limited clinical reasoning or functional decline documentation	Condition-specific SOAP-style templates capturing measurable decline indicators
<b>Medication Reconciliation Records</b>	Incomplete or missing from claim documentation packages	Standardized med rec included in every claim submission packet
<b>ADR Response Process</b>	No internal process; staff unfamiliar with MAC requirements	Dedicated ADR response team; standardized packet assembly; MAC-specific submission protocols

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## LONG-TERM IMPACT

### A Compliance Culture That Lasts

The most meaningful outcome of HealthBridge’s engagement at Serenity Path isn’t measured in dollars recovered—it’s measured in what hasn’t happened since. In the twelve months following the completion of the remediation program, Serenity Path has received zero new ADR requests. Their monthly internal audit scores have averaged 96.4% compliance. And for the first time, they have a compliance calendar, an audit-ready chart standard, and a staff that understands the connection between clinical storytelling and organizational survival.

Beyond compliance, the documentation improvements have had an unexpected benefit: stronger clinical communication. Nurses report that the new note templates actually help them think more clearly about patient trajectory and goals of care—making the documentation not just a compliance exercise, but a genuine clinical tool.

*“My nurses used to dread charting. Now they tell me the templates help them be better clinicians. That’s something I never expected. HealthBridge didn’t just fix our audit problem—they made us a better hospice.”*

— Dr. Evelyn, one year after HealthBridge engagement

## 12-Month Post-Engagement Metrics

- 0 new ADR requests received in the 12 months following remediation completion
- 96.4% average monthly internal audit compliance score
- 100% of new admissions screened through the pre-claim eligibility review process
- 32% reduction in claim processing time due to standardized documentation workflows
- 4 referral partners cited improved discharge summary quality as a reason for increased referral volume
- Serenity Path grew from 85 to 112 average daily census—growth enabled by the operational stability that compliance infrastructure provided

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### INDUSTRY INSIGHT

## What Every Hospice Leader Needs to Know About ADRs

The Serenity Path story is not unusual. ADR activity targeting hospice providers has increased dramatically in recent years. CMS and MACs have intensified scrutiny of hospice eligibility documentation, and the consequences of inadequate records have grown more severe. Here are the lessons every hospice leader should internalize:

<b>ADRs Are Increasing—Be Ready Now</b>	MAC probe activity in hospice has grown over 40% since 2021. An ADR is not a question of if—it’s a question of when. Proactive preparation is always less costly than crisis response.
<b>Documentation Is Not Paperwork—It’s Evidence</b>	Medicare cannot see the care your clinicians provide. The only evidence that a patient was terminally ill and appropriately enrolled is what exists in the medical record. If the record doesn’t say it, it didn’t happen.
<b>The First Response Is the Most Important</b>	How a hospice responds to an initial ADR sets the tone for everything that follows. A poorly assembled response signals vulnerability to the MAC and can trigger broader probe activity.

<b>Physicians Are Your First Line of Defense</b>	Certification language matters more than any other document in the hospice record. Physicians who understand Medicare’s standards—and document accordingly—are the most powerful compliance tool a hospice has.
<b>Internal Auditing Is Not Optional</b>	Agencies that audit their own records monthly catch documentation gaps before the MAC does. A monthly 10% random sample review is the single highest-ROI compliance investment a hospice can make.

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## About HealthBridge Consulting Group

HealthBridge Consulting Group is a specialized healthcare compliance and operations consulting firm serving hospice, home health, and palliative care providers across California and beyond. Our team includes former MAC reviewers, hospice RN auditors, healthcare attorneys, and clinical documentation specialists who bring deep regulatory expertise to every engagement.

We offer ADR defense and appeal representation, pre-payment and post-payment audit response, clinical documentation improvement (CDI) programs, hospice eligibility and compliance training, mock surveys and internal audit programs, and full-service agency startup consulting.

Whether you’ve received your first ADR letter or want to make sure you never do, HealthBridge is the team that hospice leaders trust when it matters most.

**Is your hospice ADR-ready?**

*Contact HealthBridge for a complimentary documentation risk assessment.*

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