OIG releases the 2015 work plan

November 13, 2014

On October 31, 2014, the Department of Health and Human Services, Office of Inspector General (OIG) posted its 2015 Work Plan. The OIG's Work Plan sets forth the initiatives and priorities of the OIG for the 2015 federal fiscal year (FFY), which the OIG will pursue through audits, investigations, inspections, industry guidance (including advisory opinions), and enforcement actions (including actions to impose civil monetary penalties, assessments, and administrative sanctions, such as exclusions).

The 2015 OIG Work Plan includes the audits begun in years past that will continue into FFY2015 as well as the new audits scheduled to begin in FFY2015. There were not a large number of new starts for OIG audits and other reviews included in the 2015 OIG Work Plan.

New hospital Initiatives

Review of hospital wage data used to calculate Medicare payments

The OIG will review hospital controls over the reporting of wage data used to calculate wage indexes for Medicare payments. Prior OIG wage index work identified hundreds of millions of dollars in incorrectly reported wage data and resulted in policy changes by the Centers for Medicare & Medicaid Services (CMS) with regard to how hospitals reported deferred compensation cost. Hospitals must accurately report wage data to CMS annually to develop wage index rates.

Long-term-care hospitals—Adverse events in post-acute care for Medicare beneficiaries

The OIG will estimate the national incidence of adverse and temporary harm events for Medicare beneficiaries receiving care in long-term-care hospitals (LTCHs) and identify factors contributing to these events, determine the extent to which the events were preventable, and estimate the associated costs to Medicare. LTCHs are inpatient hospitals that provide long-term care to clinically complex patients, such as those with multiple acute or chronic conditions. Medicare beneficiaries typically enter LTCHs following an acute-care hospital stay to receive intensive rehabilitation and medical care. LTCHs are the third most common type of post-acute care facility after skilled nursing facilities and independent rehabilitation facilities, accounting for nearly 11 percent of Medicare costs for post-acute care.

New Initiative for independent clinical laboratories

Selected independent clinical laboratory billing requirements

The OIG will review Medicare payments to independent clinical laboratories to determine laboratories' compliance with selected billing requirements and use the results of these reviews to identify clinical laboratories that routinely submit improper claims and recommend recovery of overpayments. Prior OIG audits, investigations, and inspections have identified independent clinical laboratory areas at risk for noncompliance with Medicare billing requirements. Payments to service providers are precluded unless the provider has and furnishes upon request the information necessary to determine the amounts due. (Social Security Act, §1833(e).) The OIG indicated that it will focus on independent clinical laboratories with claims that may be at risk for overpayments.

New Nursing Home Initiatives

There were no new OIG initiatives for nursing homes announced in the 2015 OIG Work Plan.

New Home Health Agency Initiatives

There were no new OIG initiatives for home health agencies announced in the 2015 OIG Work Plan.

New Medicaid Initiatives

State collection of rebates for drugs dispensed to Medicaid MCO enrollees

The OIG will determine whether the states are collecting prescription drug rebates from pharmaceutical manufacturers for Medicaid MCOs. Drugs dispensed by Medicaid MCOs were excluded from this requirement until March 23, 2010. Section 2501 (c) of the Patient Protection and Affordable Care Act (ACA) expanded the rebate requirement to include drugs dispensed to MCO enrollees. Medicaid MCOs are required to report enrollees' drug utilization to the state for the purpose of collecting rebates from manufacturers.

Medicaid beneficiary transfers from group homes and nursing facilities to hospital emergency rooms

The OIG will review the rate of and reasons for transfer from group homes or nursing facilities to hospital emergency departments. High occurrences of emergency transfers could indicate poor quality. Prior OIG work examined transfers to hospital emergency departments, raising concerns about the quality of care provided in some nursing facilities. The OIG noted in the 2015 Work Plan that there is congressional interest in this area.

MCO payments for services after beneficiaries' deaths

The OIG will identify Medicaid managed care payments made on behalf of deceased beneficiaries and will also identify trends in Medicaid claims with service dates after beneficiaries' dates of death. Prior OIG reports have found that Medicare paid for services that purportedly started or continued after beneficiaries' dates of death.

MCO payments for ineligible beneficiaries

The OIG will identify Medicaid managed care payments made on behalf of beneficiaries that were not eligible for Medicaid and identify trends in Medicaid claims within this population. Section 1903(m) of the Social Security Act authorizes payments to states for eligible Medicaid beneficiaries enrolled in an MCO. Prior OIG work has found that Medicaid paid for services that purportedly started or continued during periods where the beneficiary was not eligible for Medicaid.

Authors