



March 2014

OIG Work Plan for Fiscal Year 2014

PURPOSE

The Office of the Inspector General's (OIG) [2014 Work Plan](#) (Work Plan) describes the OIG's enforcement priorities for the upcoming year. Many of the OIG's enforcement priorities are carried over from fiscal year (FY) 2013. This article highlights some of the new aspects of the Work Plan for FY 2014 that may be of interest to the provider community.

PART I: MEDICARE PART A AND PART B

Part I of the Work Plan focuses on Medicare billing and payment practices. In addition to hospital-focused reviews, the OIG will audit long-term care entities, hospice providers, medical equipment providers and suppliers, and other providers.

Hospital Reviews

- **New Inpatient Admission Criteria:** Previous OIG reviews found overpayments for short inpatient stays and financial incentives for inappropriate Medicare billing. New inpatient admission criteria states that inpatient admission is appropriate when a physician expects that a patient will need at least two nights of hospital care. In all other cases, the patient should be treated as an outpatient. The OIG will review the impact of this new inpatient admission criteria on Medicare billing and payments by Medicare beneficiaries.
- **Analysis of Salaries Included in Hospital Cost Reports:** The OIG will review salaries included in Medicare cost reports and reimbursed by Medicare to determine whether a cap on such reimbursable salaries would have an impact on the Medicare Trust Fund.
- **Comparison of Provider-Based and Freestanding Clinics:** To determine the financial impact of hospitals claiming provider-based status for outpatient facilities and physician offices, the OIG will review and compare Medicare payments for physician office visits at provider-based clinics and freestanding clinics.
- **Indirect Medical Education Payments:** In response to its determination that hospitals have received excess reimbursement for indirect medical education payments, the OIG will review hospital data to determine whether indirect medical education payments were properly calculated and made in accordance with applicable regulations and guidelines.
- **Oversight of Hospital Privileging:** The OIG will review hospital processes for granting initial privileges to medical staff candidates, including verifying credentials and reviewing the National Practitioner Data Bank. The OIG stated its belief that robust privileging programs contribute to patient safety.

Hospice Reviews

- **Hospice in Assisted Living Facilities:** The Patient Protection and Affordable Care Act (PPACA) requires that CMS reform hospice payment systems, collect relevant data, and develop quality measures for hospices. The OIG will review claims submitted for hospice services provided to Medicare beneficiaries residing in assisted living facilities to determine

length of stay, levels of care received, and terminal illnesses of beneficiaries who receive hospice services.

Medical Equipment and Supplies Reviews

- **Reasonableness of Medicare Fee Schedule Amounts:** To identify wasteful spending, the OIG will review Medicare reimbursement amounts for various medical equipment items and compare such amounts to the reimbursement amounts paid by non-Medicare payors.

Other Provider Reviews

- **Medicare Enrollment and Credentialing for Mental Health Providers:** The OIG will determine whether selected providers have the required federal and state qualification to bill Medicare for mental health services. It will review Medicare's current mental health provider enrollment and credentialing requirements and assess CMS's verification of such requirements.

PART II: MEDICARE PART C AND PART D

Part II of the Work Plan focuses on Medicare Parts C and D. The reviews planned in Part II of the Work Plan have a strong focus on program integrity and payment practices. Upcoming reviews include the following:

- **Documentation of Pharmacies' Prescription Drug Event Data:** The OIG will conduct additional reviews of selected retail pharmacies identified by the OIG as having questionable Part D billing.

PART III: MEDICAID REVIEWS

Part III of the Work Plan focuses on Medicaid reviews. Planned by the OIG, these reviews include the Medicaid prescription drug program, home health services, and nursing facilities. Below are some of the reviews planned for FY 2014:

- **Utilization of Preventive Screening Services for Children Enrolled in Medicaid:** The OIG has previously recommended that CMS take steps to improve the provision of early and periodic screening, diagnostic, and treatment services for Medicaid beneficiaries. The OIG will review what steps have been taken by CMS and any obstacles to providing such services.
- **Provider Payment Suspensions:** A state is required to suspend Medicaid payments to a provider once it has determined that there are credible fraud allegations pending against such provider, unless an exception applies. The OIG will review payments to such providers and the suspension of such payments.
- **Medicaid Managed Care Reimbursement:** The OIG will review state reimbursements to ensure that managed care organizations (MCOs) are appropriately and correctly reimbursed for services provided. The OIG will also ensure that the data used to set reimbursement rates is reliable and that risk sharing and incentive payments to MCOs comply with federal guidelines.

AFFORDABLE CARE ACT REVIEWS

The OIG plans to continue its ongoing review of programs created by the PPACA. For FY 2014, the OIG will focus on reviewing the operation of new Health Insurance Marketplaces and expanding the Medicaid program. The OIG has prioritized four key areas for its review of the Health Insurance Marketplaces: payment accuracy, eligibility systems, federal contracts for the federally facilitated marketplace, and the security of data and consumer information. The OIG will also continue to promote preventing fraud in consumer marketplaces, including identity theft. This will include a focus on prescription drugs, home health services, and other community-based care and state management of Medicaid and Medicaid MCOs.

RECOVERY ACT REVIEWS

Part of the American Recovery and Reinvestment Act of 2009 (Recovery Act) allowed for Medicare and Medicaid incentive payments to be made to health care professionals and hospitals that become

meaningful users of electronic health records (EHR). The OIG will continue its oversight of the EHR incentive programs to ensure that covered entities and business associates adequately protect electronic health information created or maintained by certified EHR technology and will review CMS's safeguards to prevent erroneous payments. The OIG will also review HIPAA enforcement and oversight of breach notification requirements by the Office of Civil Rights.

Review Reports

Each review in the Work Plan should result in a report posted to the OIG website in either FY 2014 or FY 2015. The timing of such reports for each review depends on when the review is initiated during the year as well as its complexity and scope.

Please contact any member of the Health Law Group at Robinson & Cole if you have questions with respect to any portion of the Work Plan:

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