The 2010 OIG Work Plan: What You Need to Know

On October 1, 2009, the Office of Inspector General (“OIG”) released its Work Plan (“Work Plan”) for the 2010 fiscal year (“FY”). In particular, this report outlines the proposed agenda for the Department of Health and Human Services (“HHS”) over the upcoming year, effective as of October 2009. Undoubtedly, the Work Plan provides guidance and implications pertaining to the mission of the OIG which is to prevent fraud, waste, and abuse within Federal programs by improving efficiency, effectiveness, and accountability. Specifically, those entities which do not comply with OIG standards could be subject to monetary penalties or program exclusion. In fact, during FY 2008, the OIG reported exclusions for 3,129 individuals and entities from Federal healthcare programs. Given these potential ramifications, remaining informed as to current OIG initiatives remains imperative, particularly in the event of audits and performance evaluations. Outlined below are several key matters as described in the Work Plan.

As the largest operating division of HHS, the Centers for Medicare and Medicaid Services (“CMS”) undergoes multiple scheduled program reviews by the OIG. As such, the Work Plan outlines the following areas of CMS evaluation:

- **Hospital Capital Payments** - The OIG will evaluate Medicare reimbursement to hospitals for capital expenditures (facilities and equipment) for appropriateness.

- **Hospital Wage Data** - Hospitals will be evaluated on the accuracy of wage data reported to CMS. Specifically, because the wage data reported is used to calculate wage indices for the Inpatient Prospective Payment System (“IPPS”), appropriate representation of this data remains critical.

- **Critical Access Hospitals** - The OIG will analyze payments made to Critical Access Hospitals; and, hospitals will additionally be evaluated on their ability to meet the criteria which defines a critical access hospital.

- **Medicare Disproportionate Share Payments** - OIG will (i) evaluate Medicare disproportionate share payments made to qualifying hospitals and (ii) analyze the total amount of uncompensated care at these hospitals.
Hospital Readmissions - The OIG plans to assess trends related to hospital readmissions. Specifically, oversight in same-day readmissions will be critically reviewed.

Diagnostic Imaging - According to CMS, increased use of diagnostic imaging services has proliferated during recent years. As such, evaluations on potential overuse and service costs will be conducted.

Unbundled Laboratory Tests - The OIG plans to assess clinical laboratories which have unbundled laboratory tests to increase Medicare payments. Specifically, the extent of this inappropriate unbundling will be evaluated by analyzing claims data.

Physician Reassignment of Benefits - Pursuant to the Social Security Act, physicians are not allowed to reassign Medicare beneficiaries except in the case of a specific exception. As such, the OIG will analyze reviews of such reassignments. In addition, an examination of physicians’ awareness of these reassignments will reveal the extent of these occurrences.

Physician Identifier Number - The OIG plans to review Medicaid claims associated with invalid or inactive Physician Identifier Numbers; primarily, numbers used on claims after a physician’s death.

Managed Care Organizations (“MCO”) - MCO’s will be evaluated based on Federal standards regarding fraud and abuse safeguards and marketing practices.

Provider-Based Status - OIG plans to compile cost reports for hospitals claiming provider-based status for both inpatient and outpatient facilities. Based upon such reports, it will then identify hospitals improperly claiming provider-based status for facilities.

Physician Hospice Billing - Based upon the standard that physicians should receive payments for hospice services solely under the Medicare Part B Physician Fee Schedule, the OIG will conduct reviews to identify whether physicians are double-billed (under Medicare parts A and B) for such services.

Physician Self-Referral for Durable Medical Equipment - OIG will conduct analyses to review the legality of physician referrals to durable medical equipment suppliers in which the physician holds ownership.

Given the aforementioned items, hospitals and physicians should assess both operational and financial relationship matters in order to ensure proper compliance moving forward into 2010.

Please note that this list does not represent a comprehensive description of the FY 2010 Work Plan but
serves as a synopsis for means of awareness.

If you would like more information, please contact the expert listed below at (800) 270-9629.