

# 2009 Work Plan Office of Inspector General (OIG)

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## Work Plan Initiatives for Medicare

### **New Reviews for 2009:**

- Additional Part A Medicare Capital Payments for Extraordinary Circumstances
- Hospital Ownership of Physician Practices
- Inpatient Rehabilitation Facility Payments
- Inpatient Psychiatric Facility Emergency Department Adjustments
- Reliability of Hospital-Reported Quality Measure Data

## Work Plan Initiatives for Medicare

### **New Reviews for 2009 (Cont.):**

- Payments for Diagnostic X-Rays in Hospital Emergency Departments
- Oversight of Hospitals' Compliance with EMTALA
- Coding & Documentation Changes Under the Medicare Severity Diagnosis Related Group System
- Serious Medical Errors ("Never Events")

3

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## Work Plan Initiatives for Medicare

### **Ongoing Reviews for 2009:**

- Part A Hospital Capital Payments
- Provider-Based Status for Inpatient and Outpatient Facilities
- Part A Inpatient Prospective Payment System Wage Indices
- Payments to Organ Procurement Organizations
- Inpatient Hospital Payments for New Technologies
- Critical Access Hospitals

4

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## Work Plan Initiatives for Medicare

### Ongoing Reviews for 2009 (Cont.):

- Interrupted Stays at Inpatient Psychiatric Facilities Payments
- Provider Bad Debts
- Medicare Secondary Payer
- Financial Status of Hospitals in the New Orleans Area

5

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## Work Plan Initiatives for Medicaid

### New & Ongoing Reviews for 2009:

- Hospital Outlier Payments
- States' Disproportionate Share Hospital Payments for Care for Individuals in Institutions for Mental Diseases
- Provider Eligibility for Medicaid Reimbursement
- Medicaid Disproportionate Share Hospital Payment Distribution
- Supplemental Payments to Private Hospitals
- Potentially Excessive Medicaid Payments for Inpatient and Outpatient Services

6

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## Oversight of Hospitals' Compliance with the Emergency Medical Treatment and Labor Act (EMTALA)

- **Review of CMS's oversight of compliance with EMTALA:**
  - Concerns of long delays to investigate complaints
  - Inadequate feedback provided to hospitals on alleged violations
- **The OIG will:**
  - Identify variation among regions in the number of EMTALA complaints and cases referred to States
  - Examine CMS's methods for tracking complaints and cases
  - Determine whether required peer reviews have been conducted prior to CMS's determination about whether to terminate noncompliant providers

7

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## Coding and Documentation Changes Under the Medicare Severity Diagnosis Related Group System (MS-DRG)

- **Examine coding trends and patterns under MS-DRG:**
  - Implemented October 1, 2007
  - DRGs increased from 538 to 745
- **Determine whether specific MS-DRGs are vulnerable to upcoding**

8

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## Serious Medical Errors (“Never Events”)

- **Review administrative processes regarding detecting and paying for never events:**
  - Incidences of and payments, denials and recoupments for “never events” in hospitals
  - CMS’s detection of never events
  - Key issues, policies, and practices regarding never events in hospitals
  - Compliance with CMS’s requirements by identifying several hospital-acquired conditions using the Present on Admission coding system

9

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## Provider-Based Status Inpatient and Outpatient Facilities

- **Review cost reports of hospitals claiming provider-based status:**
  - Freestanding facilities
  - Higher reimbursement
    - Enhanced disproportionate share
    - Upper payment limit payments
    - Graduate medical education payments
      - 42 CFR § 413.65 (d)

10

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## Part A Inpatient Prospective Payment System (IPPS) Wage Indices

- **Review hospital and Medicare controls over the accuracy of the hospital wage data used to calculate wage indices for the IPPS:**
  - Determine whether hospitals have complied with Medicare requirements for reporting wage data
  - Determine the effect on the Medicare program of incorrect DRG reimbursement caused by inaccurate wage data
  - Examine appropriateness of using hospital wage indices for other provider types

11

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## Inpatient Hospital Payments for New Technologies

- **Review payments to hospitals for new services and technologies:**
  - Determine if claims met criteria
    - 42 CFR § 412.87
  - Review CMS's calculation of the payments

12

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## Critical Access Hospitals (CAH)

- **Review payments made to CAHs:**
  - Determine whether CAH designation criteria and conditions of participation were met:
    - Social Security Act, §§ 1814 (1) and 1834 (g)
    - Social Security Act, § 1820(c)(2)(B)
    - 42 CFR pt.485, subpart F
  - Determine whether payments made were in accordance with Medicare requirements

13

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## Medicare Disproportionate Share Payments

- **Review Medicare DSH payments:**
  - Determine whether payments were made in accordance with Medicare methodology
  - Determine whether hospitals' classifications are appropriate
  - Examine the total amount of uncompensated care incurred by hospitals

14

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## Interrupted Stays at Inpatient Psychiatric Facilities Payments

- **Review IPF's claims for Medicare reimbursement in cases of transfers for IPFs to the same or other IPFs:**
  - Ensure IPFs do not discharge and then readmit to obtain higher adjustments
  - Determine extent of coding errors for claims that should have been paid as transfers

15

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## Provider Bad Debts

- **Review Medicare bad debts claimed by acute care inpatient hospitals, LTCHs, IRFs, IPFs and SNFs:**
  - Determine if criteria were met
  - Determine if payments were appropriate
  - Determine if recoveries of prior year write-offs were properly used to reduce the cost of beneficiary services for the period in which the recoveries were made
    - 42 CFR § 413.89

16

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## Medicare Secondary Payer

- **Review Medicare payments for beneficiaries who have other insurance**
  - Assess the effectiveness of current procedures in preventing inappropriate Medicare payments

17

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## Financial Status of Hospitals in the New Orleans Area

- **Review the financial status of hospitals in the aftermath of Hurricane Katrina:**
  - Assess the needs of hospitals
  - Review options for policymakers as the area rebuilds its health care infrastructure
  - Assess awards of provider stabilization grants

18

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## Other Reviews Related to Part A and Part B

- **Separately Billable Laboratory Services Under the End Stage Renal Disease Program (ESRD)**
- **Ambulance Services Used to Transport ESRD Beneficiaries**
- **Ambulatory Surgical Center Payment System**
- **Medical Identity Theft in Medicare**
- **CERT: FY 2008 Transportation Claims Error Rate**

19

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## Work Plan Initiatives for Medicaid

- **Hospital Outlier Payments**
  - Review State Medicaid payments for hospital outliers
    - Determine whether vulnerabilities exist in Medicaid State agencies' methods of computing inpatient hospital cost outlier payments
- **States' Disproportionate Share Hospital Payments for Care for Individuals in Institutions for Mental Diseases**
  - Determine the extent of Federal DSH funding being used to pay for the cost of uncompensated care provided to individuals aged 21 to 64 residing in institutions for mental diseases

20

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## Work Plan Initiatives for Medicaid

- **Provider Eligibility for Medicaid Reimbursement**
  - Review whether States appropriately determined provider eligibility for Medicaid reimbursement
    - Identify significant unallowable Medicaid payments
- **Medicaid Disproportionate Share Hospital Payment Distribution**
  - Review Medicaid inpatient utilization rate used to determine eligibility for Medicaid DSH payments
- **Supplemental Payments to Private Hospitals**
- **Potentially Excessive Medicaid Payments for Inpatient and Outpatient Services**
  - Determine if costs were reasonable and necessary for proper and efficient performance and administration of Federal awards

21

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## References

- <http://www.oig.hhs.gov/publications.html>
- OIG's Office of External Affairs, 202-619-1343
- [http://www.cms.hhs.gov/MLNProducts/downloads/MSP\\_Fact\\_Sheet.pdf](http://www.cms.hhs.gov/MLNProducts/downloads/MSP_Fact_Sheet.pdf)

22

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## Questions?

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23

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24

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