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OIG Issues 2013 Work Plan: Change and More of the Same

by Douglas A. Grimm, Kristin J. Jones and Kaitlin M. Piccolo

On Oct. 2, 2012, the Office of Inspector General of the Department of Health and Human Services (OIG) issued its Work Plan for Fiscal Year 2013. The Work Plan summarizes OIG's areas of focus and reviews the agency's new and ongoing policies, activities and operations for the coming year. Priorities highlighted in the plan often result in additional enforcement measures or policy changes by OIG. This article provides a brief overview of several key items in the 2013 Work Plan.

Payment for Canceled Inpatient Hospital Surgical Procedures

OIG will examine inpatient hospital claims for billings and payments for canceled surgical procedures, as it is OIG's view that few inpatient services are actually provided prior to the start of a patient's scheduled inpatient surgery. Thus, while the bill resulting from an inpatient stay with a canceled surgical procedure may be low, that bill is often followed by a second, higher bill for the rescheduled surgical procedure once performed. OIG will analyze payment policies with respect to the resulting global fee, paying particular attention to medical necessity. Inpatient surgical providers are advised to review their policies and performance in this area to assess potential audit risks.

Physician Billing for "Incident to" Services

"Incident to" services – those reimbursable services performed by a nonphysician during the course of a physician office visit – make their perennial appearance in the plan. OIG continues to monitor payment for these services, with a focus on potential overutilization, quality of care and the lack of visibility of those services during a chart audit ("incident to" services are identified only through medical record review). OIG will also review "incident to" billing to assess payment error rates associated with these services. Finally, OIG will assess the Centers for Medicare & Medicaid Services' (CMS) ability to actually monitor the appropriateness of "incident to" billing.

Effectiveness of Medicare Contractors

CMS relies heavily on contractors to carry out its basic mission. Recent reports, however, have drawn attention to pervasive deficiencies in these contractors' internal controls and management. Thus, the effectiveness of CMS contractors, including Medicare Administrative Contractors (MACs), Recovery Audit Contractors (RACs) and Zone Program Integrity Contractors (ZPICs), is another focus of OIG's 2013 review.

OIG will concentrate on oversight and monitoring efforts in order to ensure the effectiveness of all programs and the safeguarding of taxpayer dollars. The plan highlights several specific areas for Medicare contractor review, including:

- compliance with contract documentation requirements;
- an assessment of administrative costs claimed by Medicare contractors;
- an evaluation of Medicare's contributions to various employee pension, health benefit and retirement plans on behalf of contractors;
- the extent to which contractors meet error-rate reduction plans;
- the extent to which CMS has conducted performance assessments and monitoring of MACs; and
- the evaluation of claims processing contractors for failure to conduct prepayment reviews.

In addition, RAC identification and recoupment of improper payments, identification of other vulnerabilities and potential fraud referrals will be reviewed. OIG will analyze the activities that CMS performed to resolve RAC-identified vulnerabilities, address potential fraud referrals and evaluate RAC performance. Finally, OIG will review CMS' oversight of fraud and abuse task order requirements for ZPICs and cost proposals of various bidders for Medicare contracts.

Accreditation Process for Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) Suppliers

OIG will examine accreditation organizations' (AO) requirements and processes for granting accreditation to DMEPOS suppliers to ensure that suppliers meet Medicare's quality standards. As a condition of enrollment, most DMEPOS suppliers must obtain accreditation from a CMS-approved AO and must comply with Medicare quality standards. In addition to evaluating the accreditation process itself, OIG will evaluate CMS' procedures for conducting validation surveys designed to evaluate AO compliance with Medicare standards.

Physician Compliance With the Face-to-Face Visit Requirement Before Certification of Patients as Eligible for Home Health Services

OIG will determine the extent to which home health agencies are complying with a recent statutory requirement that physicians (or certain practitioners working with physicians) who certify beneficiaries as eligible for Medicare home health services schedule face-to-face encounters with the beneficiaries. OIG work conducted before the face-to-face mandate went into effect found that only 30 percent of beneficiaries had at least one face-to-face visit with the physicians who ordered their home health care.

The complete OIG Work Plan is available online.


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