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# OIG Releases 2017 Work Plan

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**Executive Summary**

The United States Department of Health and Human Services Office of the Inspector General ("OIG") published its Fiscal Year 2017 Work Plan ("2017 Plan") on November 10, 2016. The work plan is published annually by the OIG and identifies new and ongoing investigative, enforcement and compliance priorities for the OIG in the upcoming year. Along with its advisory opinions, provider-specific compliance guidelines, fraud alerts and special bulletins, the OIG's annual work plans are a valuable resource for compliance officers and counsel to use when identifying internal audit and review topics for the upcoming year.

For 2017, the OIG identified a number of new areas of focus that apply to different types of healthcare organizations, including hospitals, long-term care providers and pharmacies. Some of the key new and revised areas of focus are summarized below. In addition, the OIG will continue to focus on a number of issues it has focused on in the past. A complete copy of the 2017 Plan may be accessed here.

**A. Hospital Audit Activities**

In 2017, the OIG will focus on six new compliance risk areas for hospital activities and has revised its focus on one risk area, including:

1. *Hyperbaric Oxygen Therapy Services-Provider Reimbursement in Compliance with Federal Regulations (NEW)*. The OIG will determine whether Medicare payments for hyperbaric oxygen therapy outpatient services were made in accordance with Medicare requirements. This will include a review of whether beneficiaries received treatment for noncovered conditions, the medical documentation supporting the services and whether beneficiaries received more treatments than were medically necessary.
2. *Incorrect Medical Assistance Days Claimed by Hospitals (NEW).* The OIG will focus on reviewing whether Medicare administrative contractors properly settled Medicare cost reports for Medicare disproportionate share hospitals with respect to Medicaid

## Related Capabilities

- Healthcare & Life Sciences
- Healthcare Transactions & Regulations
- Healthcare Litigation
- Medical Devices

patient days.

3. *Inpatient Psychiatric Facility Outlier Payments (NEW)*. The OIG intends to determine whether Inpatient Psychiatric Facilities complied with Medicare documentation, coverage, and coding requirements for stays that resulted in outlier payments.
4. *Case Review of Inpatient Rehabilitation Hospital Patients Not Suited for Intensive Therapy (NEW)*. The OIG will study a sample of rehabilitation hospital admissions to determine whether the patients participated in and benefited from intensive therapy, and for patients that were unsuited for intensive therapy, identify reasons they were not able to participate and benefit from therapy.
5. *Medicare Payments for Services after Individuals' Dates of Death (NEW)*. The OIG will review CMS' policies and procedures that ensure that payments are not made for Medicare services ostensibly rendered to deceased individuals as required by Section 502 of the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA).
6. *Management Review: CMS' Implementation of the Quality Payment Program (NEW)*. The OIG will outline the timelines and key milestones CMS has established for implementing the Quality Payment Program under MACRA and identify key challenges and potential vulnerabilities CMS faces during implementation.
7. *Intensity Modulated Radiation Therapy (REVISED).* The OIG will focus on reviewing outpatient payments for intensity-modulated radiation therapy to determine whether payments were made in accordance with payment requirements.

### B. Nursing Home Audit Activities

In 2017, the OIG will focus on four new compliance risk areas for nursing home activities and has revised its focus on one risk area, including:

1. *Nursing Home Compliant Investigation Data Brief (NEW)*. The OIG will review whether State agencies investigate complaints categorized as immediate jeopardy and actual harm within required timeframes (2 and 10 days, respectively).
2. *Skilled Nursing Facilities- Unreported Incidents of Potential Abuse and Neglect (NEW)*. The OIG intends to investigate the incidence of abuse and negligent of Medicare beneficiaries receiving treatment in skilled nursing facilities and determine whether incidents of abuse and negligent were properly reported and investigated in accordance with Federal and State law. OIG also intends to interview State officials to determine if sampled incidents were reported, if required, and whether the incident was investigated and prosecuted by the State, if appropriate.
3. *Skilled Nursing Facility Reimbursement (NEW).* The OIG will review documentation related to reports on the Minimum Data Set to determine if the documentation meets the requirement for each particular resource utilization group.
4. *Skilled Nursing Facility Adverse Event Screening Tool (NEW)*. The OIG will release a tool that describes the purpose, use, and benefit of the skilled nursing facility adverse event trigger tool and guidance document released by the Institute for Healthcare Improvement.
5. *National Background Checks for Long-Term Employees-Mandatory Review (REVISED).* The OIG will review the outcomes of State's programs related to National Background Check Program grant which requires background checks of long-term care employees and providers and determine whether the background checks led to any unintended consequences.

### C. Prescription Drugs Audit Activities

In 2017, the OIG will focus on five new compliance risk areas for prescription drug

activities and has revised its focus on one risk areas, including:

1. *Drug Waste of Single-Use Vial Drugs (NEW)*. The OIG will determine drug waste for the 20 single-use-vial drugs with the highest amount paid by Medicare and provide specific examples of where a different size vial could significantly reduce waste.
2. *Potential Savings from Inflation-Based Rebates in Medicare Part B (NEW).* The OIG will examine the amount that could be collected from pharmaceutical manufacturers if inflated-indexed rebates were required under Medicare Part B.
3. *Medicare Part D Rebates Related to Drugs Dispensed by 340B Pharmacies (NEW).* The OIG intends to review the amount that could be saved for drugs dispensed through the Medicare Part D program at 340B covered entities and contract pharmacies if Medicare Part D adopted requirements that require manufactures to pay rebates similar to those of the Medicaid Drug Rebate Program.
4. *Questionable Billing for Compounded Topical Drugs in Part D (NEW)*. The OIG will review billing for topical compounded drugs under Medicare Part D and will identify pharmacies and associate prescribers with questionable Part D billing for these drugs.
5. *Medicare Part D Payments for Service Dates After Individuals' Dates of Death (NEW)*. The OIG will determine whether prospective payments made after a beneficiaries death were made in accordance with Medicare requirements that require a Part D sponsor to disenroll a beneficiary from its prescription drug plan upon the death of the individual, which is effective the first day of the calendar month following the month of death.
6. *Medicare Part D Eligibility Verification Transactions* (*REVISED).* OIG will review CMS' oversight of E1 transactions processed by contractors and will review E1 transactions to assess the validity of the data.

**D. Medical Equipment and Supplies Audit Activities**

In 2017, the OIG will focus on three new compliance risk areas for medical equipment and supplies activities including:

1. *Part B Services During Non-Part A Nursing Home Stays: Durable Medical Equipment (NEW)*. The OIG will seek to determine the extent of inappropriate Medicare Part B payments for DMEPOS provided during non-Part A stays in skilled nursing facilities and whether CMS has a system in place to identify inappropriate payments and recoup payments from suppliers.
2. *Medicare Market Share of Mail-Order Diabetic Testing Strips April 1 through June 30, 2016-Mandatory Review (NEW)*. The OIG will report the market share of diabetic testing strips before each subsequent round of the competitive bidding program pursuant to section 1847(b)(10)(B) of the Social Security Act.
3. *Positive Airway Pressure Device Supplies-Supplier Compliance with Documentation Requirements for Frequency and Medical Necessity (NEW).* The OIG will review claims for frequently replaced positive airway pressure or respiratory assist device therapy supplies to determine whether documentation requirements for medical necessity, frequency of replacement, and other Medicare requirements are being met.

**E. Other Provider and Suppliers Audit Activities**

In 2017, the OIG will focus on five new compliance risk areas for other providers and suppliers activities and revised its focus on one area, including:

1. *Monitoring Medicare Payments for Clinical Diagnostic Laboratory Tests-Mandatory Review (NEW)*. The OIG will analyze Medicare payments for clinical diagnostic laboratory tests performed in 2016 and monitor CMS' implementation of the new Medicare payment system for these tests.
2. *Medicare Payments for Transitional Care Management (NEW)*. The OIG intends to review whether payments for transitional care management were made in accordance with Medicare requirements.
3. *Medicare Payments for Chronic Care Management (NEW).* The OIG intends to review whether payments for chronic care management were made in accordance with Medicare requirements.
4. *Data Brief on Financial Interests Reported Under the Open Payments Program (NEW)*. The OIG will review 2015 data from the Open Payments website to determine how much Medicare paid for drugs and DMEPOS ordered by physicians who had financial relationships with manufactures and group purchasing organizations.
5. *Power Mobility Device Equipment-Portfolio Report on Medicare Part B Payments (NEW)*. The OIG will compile results, of prior OIG audits, evaluations and investigations of power mobility devices paid by Medicare to identify trends in payment, compliance and fraud vulnerabilities and will make recommendations to improve detected vulnerabilities.
6. *Ambulance Services-Supplier Compliance with Payment Requirements (REVISED)*. The OIG will review whether Medicare payments for ambulance services, including basic life support, advance life support, and specialty care transport, were made in accordance with Medicare requirements.
7. *Inpatient Rehabilitation Facility Payment System Requirements (REVISED)*. The OIG will review whether inpatient rehabilitation facilities billed claims in accordance with Medicare documentation and coverage requirements.
8. *Histocompatibility Laboratories-Supplier Compliance with Payment Requirements (REVISED).* The OIG will review whether payments to histocompatibility laboratories, which typically provide testing for bone marrow and solid organ transplantation services, were made in accordance with Medicare requirements.

**Conclusion**

As the healthcare industry continues to modify its care delivery and payment models, the 2017 Plan is a useful tool for compliance officers and legal counsel to use when deciding where to focus its internal compliance efforts for the upcoming year.