

Something for Everyone - 2017 OIG Work Plan Update

Each year, the *Office of Inspector General* (OIG) of the *U.S. Department of Health and Human Services* (HHS) releases a *Work Plan* (WP) that assesses risks to HHS programs and operations in the coming year, and, consequently, prioritizes the sequence and proportion of resources allocated.¹ Because the WP is published late in the prior year, updates are made throughout the current WP year to reassess priorities and anticipate and respond to new issues.² Historically, the OIG updated its WP once or twice per year; now, however, the OIG applies monthly updates to its WP and publishes it on its website.³ Since June 2017, the OIG has published 37 updates⁴ – this *Health Capital Topics* article will review some of the key updates to the 2017 OIG WP that focus on reimbursement issues related to various healthcare enterprises and services.⁵

One OIG WP update that focuses on reimbursement reform is titled “*Review of Quality Measures Data Reported by Accountable Care Organizations in the Medicare Shared Savings Program*,”⁶ which addresses the *Medicare Shared Savings Program* (MSSP) established by Section 3022 of the *Patient Protection and Affordable Care Act* (ACA).⁷ To qualify for the MSSP, an *accountable care organization* (ACO) must report complete and accurate data of quality measures that meet the thresholds set by the *Centers for Medicare and Medicaid Services* (CMS).⁸ The OIG stated in a June 2017 WP update its intent to review the accuracy and completion of the quality measures reported by these ACOs that are used, in part, to calculate an ACO’s shared savings.⁹ This is a slight change from the original 2017 WP, which stated the OIG’s intent to conduct a review of the MSSP related to beneficiary assignment, including the shared savings payments to those beneficiaries; the OIG also announced its intent to review the MSSP ACOs’ “*performance on quality metrics and cost savings over the first 3 years of the program*” and determine the “*characteristics of the ACOs that performed well on measures and achieved savings*” in an effort to identify successful cost saving and quality achievement strategies.¹⁰

The OIG will also be reviewing the process by which ambulance services are paid by Medicare under *skilled nursing facility* (SNF) consolidated billing requirements.¹¹ Under sections 1862(a)(18) and 1842(b)(6)(E) of the *Social Security Act*, outside suppliers must bill and receive payments from the SNFs,

not Medicare Part B (which covers designated practitioner services, outpatient care, and certain other medical services, equipment, supplies, and drugs that Part A does not cover).¹² The OIG will now determine if these services were overpaid, by being reimbursed through both Medicare Part B and the SNF consolidated billing.¹³ Additionally, the OIG will assess the effectiveness of CMS’s *Common Working File*¹⁴ to detect and prevent Medicare Part B overpayments,¹⁵ which could serve to bring about further SNF reimbursement reform. This update was not originally part of the 2017 OIG WP, which stated a number of planned review activities related to SNFs, but none related to ambulatory services.¹⁶

Through the Medicare Part A *Inpatient Prospective Payment System* (IPPS), hospitals receive a set amount per discharge so long as the Medicare beneficiary has at least one inpatient day at the time of admission.¹⁷ This payment amount represents the total amount to be paid by Medicare; however, Medicare makes duplicative payments if Part B payments are made for nonphysician outpatient services.¹⁸ The OIG has found that providers are continuing to inappropriately bill under this system and that system controls are failing to prevent and detect such payments.¹⁹ This July 2017 WP update announcement (which activity was not included in the original 2017 OIG WP)²⁰ states the OIG’s intent to determine whether nationwide IPPS payments were properly made for nonphysician outpatient services and re-evaluate IPPS reimbursement.²¹

The OIG has prioritized technology and the role technology plays on reimbursement in its 2017 updates. In its June 2017 WP update, the OIG focused on the technological reform of the *Quality Payment Program* (QPP), which was codified through the *Medicare Access and CHIP Reauthorization Act of 2015* (MACRA).²² This June 2017 update to the original 2017 OIG WP²³ reviews CMS’s challenges in implementing the QPP, a program designed to shift Medicare reimbursement from *volume-based* to *value-based* payment.²⁴ In December 2016, the OIG identified two aspects of the QPP essential to the program’s success: (1) “*providing sufficient guidance and technical assistance to ensure that clinicians are ready to participate in the QPP*”; and, (2) “*developing backend information technology (IT) systems to support key QPP functions, such as data reporting and validation*.”²⁵ The OIG will review CMS’s

training and clinical outreach efforts, as well as IT system development, including "...the extent to which CMS has conducted security and functionality,"²⁶ in order to determine whether CMS is adequately assisting providers in navigating this paradigm shift in healthcare reimbursement.

Medicare incentive payments were authorized to hospitals who adopted *electronic health record* (EHR) technology.²⁷ In the first five years, CMS paid \$14.6 billion in incentive payments, and it is believed that hospitals have received about \$66.7 million in overpayments due to hospitals' inaccuracy in calculating incentive payments.²⁸ The OIG stated in its July 2017 update that it intends to review hospital calculations in order to identify and correct future overpayments.²⁹ This update affirms the OIG's specific focus on payments related to EHR, which emphasis was indicated by the devotion of an entire section of the original 2017 OIG WP to EHRs.³⁰

To increase access to healthcare in rural areas, certain telehealth services are covered under Medicare Part B, when those services are provided through an interactive telecommunications system.³¹ However, to bill Medicare for these services, the physician must provide these

services from a specified medical facility or the practitioner's office, otherwise called an *originating site*.³² The subject of telehealth was, surprisingly, not mentioned in the original 2017 OIG WP.³³ However, according to its July 2017 update, the OIG will be reviewing telehealth claims that do not have corresponding claims at the originating site.³⁴ It is unclear what implications this may have on patient access to telehealth at this time, but these stated activities may serve to bring about further reimbursement reform (on a federal level, in contrast to the current reform occurring on the state level) related to telehealth services.

These published updates to its 2017 WP regarding the OIG's new and continuing assessments and activities indicate the OIG's specific focus on a variety of payment issues in the healthcare industry, from SNFs and inpatient and outpatient providers, to technological advancement and implementation. Updating the WP on a consistent basis, rather than only a couple of times per year, will provide more transparency related to the OIG's enforcement efforts,³⁵ allowing providers the ability to better remain in compliance with strict healthcare regulations.

- 1 "Work Plan" Office of Inspector General, U.S. Department of Health and Human Services, 2017, <https://oig.hhs.gov/reports-and-publications/workplan/> (Accessed 8/16/2017).
- 2 *Ibid.*
- 3 *Ibid.*
- 4 For a complete list of OIG WP updates for 2017, visit: <https://oig.hhs.gov/reports-and-publications/workplan/active-item-table.asp>
- 5 For more information on the original 2017 OIG WP, see "OIG Releases 2017 Work Plan" Health Capital Topics, Vol. 10, Issue 1 (January 2017), https://www.healthcapital.com/hcc/newsletter/1_17/PDF/WORK.pdf (Accessed 8/21/2017).
- 6 "Review of Quality Measures Data Reported by Accountable Care Organizations in the Medicare Shared Savings Program" Office of Inspector General, U.S. Department of Health and Human Services, June 2017, <https://oig.hhs.gov/reports-and-publications/workplan/summary/wp-summary-0000224.asp> (Accessed 8/16/2017).
- 7 "Patient Protection and Affordable Care Act" Pub. L. No. 111-148, §3022, 124 Stat. 119, 395 (March 23, 2010).
- 8 "Review of Quality Measures Data Reported by Accountable Care Organizations in the Medicare Shared Savings Program" Office of Inspector General, U.S. Department of Health and Human Services, June 2017, <https://oig.hhs.gov/reports-and-publications/workplan/summary/wp-summary-0000224.asp> (Accessed 8/16/2017).
- 9 Office of Inspector General, June 2017.
- 10 "Work Plan Fiscal Year 2017" Office of Inspector General, U.S. Department of Health and Human Services, 2017, <https://oig.hhs.gov/reports-and-publications/archives/workplan/2017/HHS%20OIG%20Work%20Plan%202017.pdf> (Accessed 8/22/2017), p. 25-26.
- 11 "Medicare Part B Payment for Ambulance Services Subject to Part A Skilled Nursing Facility Consolidated Billing Requirements" Office of Inspector General, U.S. Department of Health and Human Services, July 2017, <https://oig.hhs.gov/reports-and-publications/workplan/facility-consolidated-billing-requirements> (Accessed 8/16/2017).
- 12 *Ibid.*; Office of Inspector General, "Work Plan Fiscal Year 2017," 2017, p. 1.

- 13 Office of Inspector General, "Medicare Part B Payment for Ambulance Services Subject to Part A Skilled Nursing Facility Consolidated Billing Requirements," July 2017.
- 14 The CMS Common Working File "is comprised of nine localized databases called Hosts...[which] maintain total beneficiary claim history and entitlement information for the beneficiaries in their jurisdiction." "10 - General Information About the Common Working File (CWF) System" in "Chapter 27 - Contractor Instructions for CWF, Medicare Claims Processing Manual" Centers for Medicare and Medicaid Services, February 19, 2016, <https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/downloads/clm104c27.pdf> (Accessed 8/22/2017), p. 4.
- 15 Office of Inspector General, "Medicare Part B Payment for Ambulance Services Subject to Part A Skilled Nursing Facility Consolidated Billing Requirements," July 2017.
- 16 Office of Inspector General, "Work Plan Fiscal Year 2017," 2017, p. 9-10, 12.
- 17 "Review of Medicare Payments for Nonphysician Outpatient Services Provided Under the Inpatient Prospective Payment System" Office of Inspector General, U.S. Department of Health and Human Services, July 2017, <https://oig.hhs.gov/reports-and-publications/workplan/summary/wp-summary-0000233.asp> (Accessed 8/16/2017).
- 18 *Ibid.*
- 19 *Ibid.*
- 20 Office of Inspector General, "Work Plan Fiscal Year 2017," 2017.
- 21 Office of Inspector General, "Review of Medicare Payments for Nonphysician Outpatient Services Provided Under the Inpatient Prospective Payment System," July 2017.
- 22 "Medicare Program; Merit-Based Incentive Payment System (MIPS) and Alternative Payment Model (APM) Incentive Under the Physician Fee Schedule, and Criteria for Physician-Focused Payment Models" Federal Register, Vol. 81, No. 214 (November 4, 2016), p. 77009.
- 23 Office of Inspector General, "Review of Medicare Payments for Nonphysician Outpatient Services Provided Under the Inpatient Prospective Payment System," July 2017; Office of Inspector General, "Work Plan Fiscal Year 2017," 2017, p. 26-27.
- 24 Federal Register, November 4, 2016.
- 25 "Followup: CMS's Management of the Quality Payment Program" Office of Inspector General, U.S. Department of Health and Human Services, June 2017,

26 <https://oig.hhs.gov/reports-and-publications/workplan/summary/wp-summary-0000210.asp> (Accessed 8/16/2017).
27 *Ibid.*
28 “Nationwide Medicare Electronic Health Record Incentive Payments to Hospitals” Office of Inspector General, U.S. Department of Health and Human Services, July 2017, <https://oig.hhs.gov/reports-and-publications/workplan/summary/wp-summary-0000232.asp> (Accessed 8/16/2017).
29 *Ibid.*

30 Office of Inspector General, “Work Plan Fiscal Year 2017,” 2017, p. 51-52.
31 “Review of Medicare Payments for Telehealth Services” Office of Inspector General, U.S. Department of Health and Human Services, July 2017, <https://oig.hhs.gov/reports-and-publications/workplan/summary/wp-summary-0000236.asp> (Accessed 8/16/2017).
32 *Ibid.*
33 Office of Inspector General, “Work Plan Fiscal Year 2017,” 2017.
34 Office of Inspector General, “Review of Medicare Payments for Telehealth Services,” July 2017.
35 Office of Inspector General, “Work Plan,” 2017.



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