

### 2012 OIG Work Plan Released

Each year the Office of Inspector General (OIG) releases its fiscal Work Plan, which announces aspired projects within the Office of Audit Services and the Office of Evaluations and Inspections. While not all projects presented in a Work Plan will be implemented, providers may use the publication as a glimpse into anticipated compliance trends and strategize accordingly.<sup>1</sup> On October 5, 2011, the OIG released the 2012 Work Plan, which focuses on many of the issues raised by the Patient Protection and Affordable Care Act (ACA) including increased fraud and abuse detection, resource allocation, and reimbursement efficiency.<sup>2</sup> Several providers may be affected by the Work Plan including, hospitals, physicians and non-physicians, nursing and hospice services, and medical device and suppliers.<sup>3</sup>

Six of the 23 projects specifically related to hospitals presented in the 2012 Work Plan are new. Previously introduced programs include reviews of hospital reporting of adverse events, quality reporting data, and outlier payments.<sup>4</sup> Several new projects described in the Work Plan focus on quality indicators for value-based purchasing initiatives, as well as improper claims analysis. The OIG will examine the appropriateness of inpatient rehabilitation services, as well as the current list of present on admission (POA) indicators that hospitals must submit with Medicare claims, in order to determine which are appropriate to consider as a basis for reduced payments (as mandated by the ACA). Improper claims for dental services and inpatient hospital care transfers are also both addressed by separate programs in the Work Plan, in addition to new initiatives to prospectively identify low and high risk hospitals, as discussed in the current issue of HC Topics article, *CMS Auditing Series: Prospective Identification of High Risk Hospitals*.<sup>5</sup>

The 2012 Work Plan presents 13 new and 36 returning projects relating to physician and non-physician providers. The OIG will continue to review the appropriateness of the provision of various services, review claims for error-prone providers, and review claims for services ordered or referred by excluded providers. Under new projects, the OIG plans to refine controls on high Medicare Part B payments, incident-to-services error rates, and dialysis facilities oversight. Several plans look to the appropriateness of modifiers

for claims during global surgery periods, payments to organ procurement organizations, billing practices for partial hospitalization in community mental health centers, and bundled prospective payments for renal dialysis. The OIG also plans to analyze trends for ambulance reimbursements under Medicare Fee-For-Service and other payors, as well as the extent and impact of physicians opting out of Medicare.<sup>6</sup> Services generally used by Medicare patients are also represented in many programs within the Work Plan.

Nursing homes, home health, and hospice care each receive attention within the 2012 Work Plan, with eight (three new), nine (five new), and two (one new) projects respectively. For nursing homes, the OIG plans to review services focusing on quality issues and oversights, identify facilities with high-hospitalization rates, examine various emergency plans and compliance policies, as well as analyze the accuracy of payment and resource utilization group coding. Similar programs are described for home health services, including a focus on outcomes and assessment programs oversight, compliance programs (including fraud and abuse contractors) review, claim accuracy review, and analysis of revenue and expense trends for home health agencies and certification issues.<sup>7</sup> Potential hospice care programs include review of the appropriateness of general claims, specifically drugs billed under Part D, and review of marketing materials and practices regarding financial relationships with nursing homes. Medical device firms should expect continued review projects described in the 2012 Plan.

Within the Work Plan, 14 projects (four new) involve medical device and suppliers. Such entities should expect reviews of questionable billing practices for durable medical equipment, prosthetics, orthotics, and supplies (DMEPOS). Specific attention may be given to diabetic testing strips and lancets, home blood-glucose testing supplies, and mobility devices. In addition, the Center for Medicare and Medicaid Services' (CMS) use of security bonds to recover overpayments and competitive bidding strategies may also be reviewed under new OIG projects.<sup>8</sup>

New and previously introduced programs may also affect several other areas of healthcare. Appropriate utilization of diagnostic testing for sleep disorders and laboratory services may be examined under the 2012

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Work Plan, in addition to many reimbursement areas. Prescription drugs billed under Part B and Part D may also experience increased scrutiny under the 2012 Work Plan. Medicare Advantage payments have three new and many continuing compliance reviews under the OIG Plan.<sup>9</sup> State Medicaid programs are also a strong focus of the 2012 Plan.

82 projects may influence State Medicaid programs, 21 of which are new. Issues related to reporting, documentation of costs and claims amounts, and excessive hospital payments and other services, may all face continued review by the OIG. In addition, federal rebate programs, upper limit amounts, reporting requirements, and general payment issues are represented in the new OIG Work Plan.<sup>10</sup>

The 2012 Work Plan represents a long list of possible plans for audits, evaluations, and reviews. While DMEPOS suppliers continue facing review, State Medicaid programs and Part B and Part D may also experience increased attention. Given the large scope of the 2012 Work Plan, the OIG may have to balance its

priorities. Providers, supplies, and payors should all look to the Work Plan as guidance on what compliance issues may be important in the coming year.<sup>11</sup>

- 1 "OIG 2012 Work Plan" Foley and Lardner: Legal News Alert: Health Care, October 10, 2011, [http://www.foley.com/publications/pub\\_detail.aspx?pubid=8571](http://www.foley.com/publications/pub_detail.aspx?pubid=8571) (Accessed 11/7/2011).
- 2 "OIG Releases 2012 Work Plan" Brincker and Eckler LLP, October 12, 2011, <http://www.brincker.com/publications-and-resources/publications-and-resources-details.aspx?publicationid=2274> (Accessed 11/7/2011).
- 3 "Office of Inspector General Work Plan: Fiscal Year 2012" U.S. Department of Health and Human Services, Office of Inspector General, October 2011.
- 4 Foley and Lardner, "OIG 2012 Work Plan," 2011.
- 5 OIG, "Office of Inspector General Work Plan: Fiscal Year 2012," 2011.
- 6 Ibid.
- 7 Ibid.
- 8 Ibid.
- 9 Ibid.
- 10 Ibid.
- 11 Foley and Lardner, "OIG 2012 Work Plan," 2011.



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