

## OIG WORK PLAN FOR 2010 - HOSPITALS

By: *Sandra Mann, Esquire*  
[smann@devinemillimet.com](mailto:smann@devinemillimet.com)  
603.695.8656

DECEMBER 15, 2009

Each year the U.S. Department of Health and Human Services Office of Inspector General ("OIG") issues a detailed work plan for the upcoming fiscal year. The work plan is a comprehensive document that covers every aspect of DHHS' public health and human services programs as well as DHHS' Centers for Medicare and Medicaid Services ("CMS") which administers the Medicare and Medicaid programs. The OIG conducts audits, inspections, investigations and enforcement actions for the government in these programs.

Every year the OIG work plan is carefully reviewed by the healthcare community for insight into what areas OIG will place their resources in the upcoming year. This article identifies only the pertinent issues set forth in OIG work plan for hospitals for 2010.

### Reliability of Hospital-Reported Quality Measure Data

OIG will review hospitals' controls for ensuring the accuracy of the data related to quality of care that they submit to CMC for Medicare reimbursement. Hospitals are required to report quality measures for a set of ten indicators, and failure to do so results in a two percent reduction in payments. OIG will determine whether hospitals have implemented sufficient controls to ensure that their quality measurement data are valid.

### Payments for Diagnostic X rays in Hospital Emergency Departments

OIG will review Medicare Part B paid claims and medical records for diagnostic x rays performed in hospital emergency departments to determine the appropriateness of payments. Radiology services furnished by physicians are reimbursed by Medicare provided that certain conditions are met. CMS is concerned with the increasing cost of imagining services for Medicare beneficiaries and potential overuse of diagnostic imagining services. OIG will determine the appropriateness of payments for diagnostic x-rays and interpretations.

### Provider-Based Status for Inpatient and Outpatient Facilities

Because hospitals with provider-based facilities may receive higher reimbursement when they include the costs of a provider-based entity

DEVINEMILLIMET.COM

HEALTHCARE@DEVINEMILLIMET.COM

on their cost reports, and provider-based status for outpatient clinics may increase coinsurance liability for Medicare beneficiaries, OIG will review cost reports for hospitals claiming provider-based status for inpatient and outpatient facilities. OIG will determine the appropriateness of the provider-based designation, therefore hospitals should ensure that they comply with the criteria set forth in 42 CFR 413.65(d).

#### Hospital Payments for Non-physician Outpatient Services Under the Inpatient Prospective Payment System

OIG plans to review the appropriateness of payments for non-physician outpatient services that were provided to beneficiaries shortly before or during Medicare Part A-covered stays at acute care hospitals. Payments to hospitals for inpatient stays are payment in full for hospital's operating costs, and hospitals generally receive no additional payments for non-physician services. Hospitals cannot submit separate payments for outpatient diagnostic services and admission-related nondiagnostic services rendered up to three days before the dates of admission. Prior OIG work in this area identified significant number of improper claims.

#### Provider Bad Debts

OIG will review Medicare bad debts claimed by hospitals, inpatient rehabilitation facilities and skilled nursing facilities to determine whether they were reimbursable. Uncollectible debts related to unpaid deductible and coinsurance amounts may be claimed as Medicare bad debt if specific criteria are met. OIG will determine whether the bad debt payments were appropriate under Medicare regulations and whether 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.

**The Devine, Millimet & Branch Healthcare Practice offers this free periodic E-Mail Alert service to provide information on recent healthcare developments in statutory, regulatory and case law, and decisions. If you have any questions about this e-mail, or if you know of anyone else who may be interested in receiving these alerts, please send us an e-mail at [healthcare@devinemillimet.com](mailto:healthcare@devinemillimet.com).**

#### **Office Locations:**

111 Amherst Street  
Manchester, NH 03101  
T 603.669.1000  
F 603.669.8547

300 Brickstone Square  
Andover, MA 01810  
T 978.475.9100  
F 978.470.0618

43 North Main Street  
Concord, NH 03301  
T 603.226.1000  
F 603.226.1001

