

Issue Brief

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KEY POINTS

Some of the recommendations include the following.

- The Centers for Medicare & Medicaid Services should change regulations or pursue a legislative change, if necessary, to establish a hospital transfer payment policy for early discharges to hospice care.
- National Institute of Health should promulgate regulations that address institutional financial conflict of interest.
- CMS should require states to report to CMS on vision and hearing screening data for eligible children.

OIG Compendium of Unimplemented Recommendations

The U.S. Department of Health & Human Services' Office of the Inspector General has issued a document, entitled "Compendium of Unimplemented Recommendations." The document is a core that focuses on the top 25 unimplemented recommendations that, on the basis of OIG's professional opinion, would most positively impact HHS programs in terms of cost savings and/or quality improvements and should, therefore, be prioritized for implementation.

Implementing OIG's recommendations generally requires one of three types of actions: legislative, regulatory or administrative. Some issues involve more than one type of corrective action. The expected impact of OIG's recommendations varies from direct cost savings to improvements in payment efficiency, program operations and/or quality and safety. These improvements may not result in direct monetary recoveries, but their impact on ensuring the integrity of HHS programs and the health and welfare of program beneficiaries is crucial.

A copy of the 83-page document is at: <https://oig.hhs.gov/reports-and-publications/compendium/files/compendium2015.pdf>.

COMMENT

The items reported by the OIG are, for the most part, not new. They have been reported time and time again. This fact suggests that none will probably be adopted this cycle either. Nonetheless, ways to change Medicare payments continue to be suggested over and over. Sooner or later, some may be implemented. For this reason alone, reported below are the OIG's top 25 recommendations.

TOP 25 UNIMPLEMENTED RECOMMENDATIONS

Payment Policies and Practices

Establish accurate and reasonable Medicare payment rates for hospital inpatient services

1. Recommendation – The Centers for Medicare & Medicaid Services should seek legislative authority to expand the DRG window to include additional days prior to the inpatient admission and other hospital ownership arrangements, such as affiliated hospital groups. **[Estimated savings - \$308 million]**

Establish accurate and reasonable Medicare payment rates for hospital transfers

2. Recommendation – CMS should change regulations or pursue a

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continued

legislative change, if necessary, to establish a hospital transfer payment policy for early discharges to hospice care. **[Estimated savings - \$602.5 million]**

Reduce hospital outpatient department payment rates for ambulatory surgical center approved procedures

3. Recommendation – CMS should seek legislation that would exempt the reduced expenditures as a result of lower outpatient prospective payment system payment rates from budget neutrality adjustments for ASC-approved procedures. **[Estimated savings: \$15 billion]**

Billing and Payment

Prevent inappropriate payments to Medicare home health agencies

4. Recommendation – CMS should develop other oversight mechanisms for the home health face-to-face requirement. **[Estimated savings - \$2 billion]**

Reduce inappropriate payments to skilled nursing facilities

5. Recommendation – CMS should change the current method for determining how much therapy is needed to ensure appropriate payments. **[No estimated savings]**

Prevent payments for ineligible Medicare beneficiaries

6. Recommendation – CMS should implement policies and procedures to detect and recoup improper payments made for Medicare services rendered to incarcerated beneficiaries. **[Estimated savings - \$33.6 million]**

Reconcile Medicare outlier payments in accordance with federal guidance and regulations

7. Recommendation – CMS should implement an automated system that will recalculate outlier claims to facilitate reconciliations. **[No estimated savings]**

Ensure states calculate accurate costs for Medicaid services provided by local public providers

8. Recommendation – CMS should provide states with definitive guidance for calculating the federal upper payment limit, which should include using facility-specific UPLs that are based on actual cost report data. **[Estimated savings - \$3.87 billion over five years]**

Contractor Oversight

Maximize CMS contractor performance and oversight

9. Recommendation – CMS should utilize and report Zone Program Integrity Contractors' workload statistics in ZPIC evaluations. **[No estimated savings]**

Grants and Contracts

Prevent institutional conflicts of interest at National Institute of Health grantees

10. Recommendation – NIH should promulgate regulations that address institutional financial conflict of interest. **[No estimated savings]**

Ensure grantee compliance with health and safety requirements

11. Recommendation – Administration for Children and Families should amend current policy and regulations to require that any prospective or current employee be disqualified for, or terminated from, employment with a Head Start grantee if the individual has been convicted of sexual abuse of a child, other forms of child abuse and neglect, or a violent felony. **[No estimated savings]**

Program and Financial Management

Ensure the collection of identified Medicare overpayments

12. Recommendation – CMS should ensure that the Audit Tracking and Reporting System is updated to accurately reflect the status of audit report recommendations. **[No estimated savings]**

Improve oversight of management of Medicaid personal care services

13. Recommendation – CMS should promulgate regulations to reduce significant variation in states' personal care services laws and regulations by creating or expanding federal requirements and issuing operational guidance for claims documentation, beneficiary assessments, plans of care, and supervision of attendants. **[Estimated savings - \$1.3 billion]**

Improve the Medicare appeals process at the administrative law judge level

14. Recommendation – Office of Medicare Hearings and Appeals and

CMS should standardize case files and make them electronic. **[No estimated savings]**

Quality of Care and Safety

Enhance efforts to identify adverse events to ensure quality of care and safety

15. Recommendation – AHRQ and CMS should broaden patient safety efforts to include all types of adverse events. **[No estimated savings]**

Ensure that Medicaid children receive all required preventative screening services

16. Recommendation – CMS should require states to report to CMS on vision and hearing screening data for eligible children. **[No estimated savings]**

Strengthen oversight of state access standards for Medicaid Managed Care

17. Recommendation – CMS should strengthen its oversight of state standards and ensure that states develop standards for key providers. **[No estimated savings]**

Expand regulatory authority and oversight of dietary supplements

18. Recommendation – The Food and Drug Administration should seek statutory authority to review substantiation for structure/function claims to determine whether claims are truthful and not misleading. **[No estimated savings]**

Emergency Preparedness and Response

Establish effective emergency preparedness and response policies in hospital settings

19. Recommendation - CMS should examine existing policies and provide guidance regarding flexibility for reimbursement under disaster conditions. **[No estimated savings]**

Health Information Technology

Improve the Transformed Medicaid Statistical Information System

20. Recommendation – Ensure that the national Transformed Medicaid Statistical Information System is complete, accurate and timely. **[No estimated savings]**

Address fraud vulnerabilities in electronic health records

21. Recommendation – CMS and ONC should strengthen their collaborative efforts to develop a comprehensive plan to address fraud vulnerabilities in electronic health records. **[No estimated savings]**

Program Integrity

Increase reviews of clinicians associated with high cumulative payments

22. Recommendation – CMS should establish a cumulative payment threshold, taking into consideration costs and potential program integrity benefits above which a clinician's claims would be selected for review. **[No estimated savings]**

Expand oversight and monitoring of Medicare beneficiary drug utilization

23. Recommendation – CMS should restrict certain beneficiaries to a limited number of pharmacies or prescribers. **[No estimated savings]**

Affordable Care Act

Improve internal controls related to determining applicants' eligibility for enrollment in qualified health plans

24. Recommendation – CMS should improve internal controls related to determining applicants' eligibility for enrollment in quality health plans and eligibility for insurance affordability programs. **[No estimated savings]**

Financial Stewardship

Comply with yearly Improper Payments Information Act of 2002 requirements

25. Recommendation – HHS should report an improper payment estimate for Temporary Assistance for Needy Families and reduce error rates below 10 percent. **[No estimated savings]**

COMMENT

CMS spends some 40 pages addressing its List of Significant Unimplemented Recommendations.
