



Alerts

OIG Mid-Year Update Provides Insight To Its Concerns

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Health Law Alert

The Office of Inspector General (OIG) recently released its mid-year update of its Fiscal Year Work Plan for 2016. The Work Plan summarizes new and ongoing reviews and activities that the OIG plans to pursue. Not surprisingly, the OIG has focused considerable attention on the Center for Medicare and Medicaid Services (CMS). Much of the initial Work Plan, as well as the Mid-Year Work Plan, involves reviewing and addressing the top management and performance challenges facing the Department of Health and Human Services (HHS). The update specifies those challenges. Below is a listing of the top ten challenges, as detailed in the 2016 Work Plan Update. Knowledge of the OIG management challenges should help all categories of providers understand what concerns and programs the OIG will focus on in its review and audit activities.

TOP TEN CHALLENGES

1. Protecting and expanding the Medicaid Program from fraud, waste and abuse. As the Medicaid Program has expanded significantly as a result of the Affordable Care Act, the OIG has expressed increased concern over possible fraud, waste and abuse. The OIG has identified the following areas where CMS should take further action:
 - oversight of Medicaid expansion
 - oversight of Medicaid managed care
 - improving the effectiveness of Medicaid data and systems
 - state policies that inflate federal costs
 - ensuring quality care for Medicaid beneficiaries.
2. Fighting fraud, waste and abuse in Medicare Parts A and B. CMS desires to ensure that Medicare payments are accurate and appropriate. When improper payments occur, CMS needs to identify and recover such payments and implement safeguards. As CMS relies on contractors for these functions, ensuring effective contractor performance is critical.
3. Meaningful and secure exchange and use of electronic information and health information technology. HHS will use available policy levers to address privacy and security issues at the provider level. In addition, HHS will measure how electronic health records (EHRs) and other health IT improve patient care, promote efficient practice management and improve public health.

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4. Administering grants, contracts and financial and administrative management systems. HHS is the largest grant making organization in the federal government. While the department has worked to strengthen its grant and program integrity, more will be done to identify poorly performing grantees and those at risk of misspending grant funds.
5. Ensuring appropriate use of prescription drugs. Through the Part D Program, CMS provides prescription drug coverage for 41 million Medicare beneficiaries, and 71 million Medicaid beneficiaries. Part D is the fastest growing component of the Medicare Program. OIG believes that further actions are needed to achieve effective oversight, such as requiring sponsors to report probable fraud, waste and abuse identified in corresponding actions.
6. Ensuring quality of nursing homes, hospices and home and community based care. As Americans continue to live longer, HHS desires to ensure that beneficiaries receive high quality nursing home, hospice and home and community based services (HCBS). Like any significant programs, challenges exist with fraud, waste and abuse.
7. Implementing, operating and overseeing the Health Insurance Marketplace. As the Health Insurance Marketplace is a critical component of the reforms enacted through the Affordable Care Act, implementation, operation and oversight of the Marketplace is a significant challenge for HHS. The OIG anticipates challenges with respect to payments, eligibility determinations, management and administration, and the security of the Marketplaces. CMS is committed to strengthening the operations of the federal Marketplace, and work with state-based Marketplaces to ensure compliance with federal requirements.
8. Reforming delivery and payment in health care programs. HHS has set goals to tie Medicare payments to alternative payment models (“APMs”), as well as to quality and value. To reach those goals CMS will have to implement policies, infrastructure, data systems and program and integrity oversight.
9. Effectively operating public health and human services programs. HHS will focus on public health preparedness, and emergency response designed to improve access to and quality of services to better protect vulnerable populations.
10. Ensuring the safety of food, drugs and medical devices. HHS, through the FDA, is charged with ensuring the safety, efficacy and security of drugs, biologics, medical devices, dietary supplements and much of the nation’s food supply. Certain areas, such as compounded drugs, imported food and drugs, food facilities, off-label promotion and dietary supplements, pose significant risks and challenges.

ADDITIONAL ALERTS

The above has heavily influenced the Work Plan and the updated Work Plan. Hinshaw will provide two additional alerts with respect to the update of the 2016 Work Plan. The first will focus on hospitals and Medicare Part A and Part B. As that is the most significant outlay of federal funds, OIG has devoted a significant portion of its update to that area. The second alert will be an update with respect to other types of services, including the Health Insurance Marketplace, Food and Drug Administration, nursing homes, hospices, home health and substance abuse and mental health services.

For further information on the 2016 Fiscal Year Work Plan Update, you may contact [Roy M. Bossen](#) or [Stephen T. Moore](#), or your regular [Hinshaw attorney](#).

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