

February 26, 2020

**ILLINOIS HEALTH AND HOSPITAL ASSOCIATION
M E M O R A N D U M**

SUBJECT: HHS Office of Inspector General Work Plan

The U.S. Department of Health and Human Services (HHS) Office of Inspector General (OIG) maintains a public [Work Plan](#) summarizing the audits, investigations and evaluations the agency is actively pursuing. The Work Plan is comprised of mandatory reviews required by law or regulation, many of which are repeated annually, as well as reviews made at the request of Congress, HHS management, or the Office of Management and Budget. It is important that hospitals take note of issues identified for review in the annual Work Plan as these focus areas inform the program integrity efforts of the Centers for Medicare & Medicaid Services (CMS) and its contractors. The results may also lead CMS to take corrective action.

As of Feb. 20, the OIG Work Plan listed 236 studies, 155 of which are specific to CMS. The majority of these CMS-specific studies are slated for 2020 release, and many could influence future policymaking that could impact hospital operations and revenue.

IHA closely monitors the OIG Work Plan in order to keep our members informed about OIG's findings and potential changes to the healthcare landscape. A synopsis of studies we believe our members may find most pertinent include:

- **Site Neutrality:** A study comparing Medicare payments for physician office visits in provider-based clinics with freestanding clinics, in order to determine the difference in payments as well as the potential impact on Medicare and beneficiaries of hospitals' claiming provider-based status for such facilities ([W-07-18-02815](#)).
- **Managed Care Denials and Appeals:** A review of both Medicaid managed care organizations and Medicare Advantage plans to determine whether denial and appeal processes are appropriate, including whether managed care entities are inappropriately denying prior authorization requests ([OEI-09-19-00350](#); [W-00-19-31535](#); [OEI-09-18-00260](#); [W-00-16-35078](#)).
- **Wage Index:** Several studies on wage data to ensure hospitals correctly report the data used to calculate wage indexes for Medicare payments ([A-01-17-00510](#); [A-01-17-00500](#); [W-00-16-35452](#); [W-00-17-35725](#); [various reviews](#)).
- **Diagnosis-Related Groups (DRGs):** Several studies to assess DRGs to determine if they adequately cover the services related to a particular procedure or condition. Specifically, one study ([OEI-05-19-00380](#)) is to determine whether Medicare and beneficiaries would save money if the DRG window policy is expanded to include more days and additional hospital ownership

structures. A second study ([A-03-17-00005](#) and [W-00-17-35804](#)) reviews the accuracy of Medicare payments for the treatment of severe malnutrition.

- **Part B Drug Reimbursement:** A Congressionally mandated report (Social Security Act) comparing average sales prices for Medicare Part B drugs with average manufacturer prices, which could result in lower Part B reimbursement amounts ([OEI-03-20-00060](#)).

As the OIG finalizes these studies, IHA will review findings, recommended actions and communicate relevant information to IHA member hospitals and health systems. However, we encourage our members to review the Work Plan, updated by OIG monthly, independently as well.