

Part B Insider (Multispecialty) Coding Alert

OIG Targets Drug Payments

The **HHS Office of Inspector General** has tallied a record recovery for the first half of fiscal year 2004, according to its semiannual report to Congress. The watchdog agency recouped \$4 billion more than last year and finalized some of the largest provider settlements to date.

But the OIG says when patching major leaks in the federal health care program, drug makers could be the next big fiscal Band-Aid. In the report issued June 1, the OIG says that continuing studies and investigations into pricing problems and widespread compliance breaches in the pharmaceutical industry could indicate huge government savings in the future, when and if changes come to pass.

"The government significantly overpays for certain drugs," says acting principal deputy **Dana Corrigan**. "Our reports in the past 6 months have shown the tremendous savings -- \$650 million for FY2002 -- that could be achieved by using alternative methodologies for pricing certain drugs."

According to the report, some extra funding set aside under the OIG in the **Medicare Modernization Act** is already earmarked for the immediate monitoring of widely available market prices for pharmaceuticals such as end-stage renal disease drugs.