

Long-Term Care Survey Alert

Industry Notes: What the OIG Has in Store for SNFs This Year

Beware: The Centers for Medicare & Medicaid Services (CMS) will be cracking down on skilled nursing facility (SNF) billing practices like never before ☐ if the **HHS Office of Inspector General (OIG)** gets its way.

The OIG recently released its fiscal year (FY) 2014 Work Plan, containing some significant issues on the table for SNFs this year.

Heads up: "The Work Plan is useful in giving providers a preview of many of the OIG's enforcement priorities planned for FY 2014," stated a Feb. 4 blog posting by the law firm **Hall, Render, Killian, Heath & Lyman**. "Providers should take advantage of this opportunity to consider how to effectively focus their compliance program activities over the ensuing 12 months."

Here are the five areas the OIG will focus on for SNFs:

1. **Medicare Part A Billing** ☐ The OIG will examine SNF billing practices in selected years and will look at variations in billing among SNFs in those years. Medicare Part A billing by SNFs is a significant new focus area for the OIG, according to Hall Render.

"Prior OIG work found that SNFs increasingly billed for the highest level of therapy even though beneficiary characteristics remained largely unchanged," the OIG stated in its Work Plan. And the OIG also found that SNFs billed one-quarter of all 2009 claims in error, resulting in approximately \$1.5 billion in faulty Medicare payments.

2. **Part B Services** ☐ The OIG will conduct a series of studies to examine several broad categories of Medicare Part B services during nursing home stays. "We will identify questionable billing patterns associated with nursing homes and Medicare providers for Part B services provided to nursing home residents during stays not paid under Part A," the OIG said.

Congress had explicitly directed OIG to monitor Part B billing for such abuse during non-Part A stays.

3. **Verification of Deficiency Corrections** ☐ The OIG will also be cracking down on state survey agencies, specifically to verify correction plans for deficiencies identified during nursing home recertification surveys. "A prior OIG review found that one state survey agency did not always verify that nursing homes corrected deficiencies identified during surveys in accordance with federal requirements," the Work Plan stated.

4. **National Background Checks for LTC Employees** ☐ Also on the 2014 agenda will be the OIG's review of the procedures that participating states implemented for LTC providers to conduct background checks on prospective employees. The OIG will examine the costs of conducting background checks, as well as the outcomes of the states' programs and whether the programs led to any unintended consequences.

5. **Unnecessary Hospitalizations** ☐ Finally, the OIG will examine the volume of Medicare beneficiaries residing in nursing homes who are hospitalized due to "manageable" or "preventable" conditions. "A 2013 OIG review found that 25 percent of Medicare beneficiaries were hospitalized for any reason" in FY 2011," the OIG noted.

This comes on the heels of a November 2013 OIG report that recommended CMS develop a new quality measure to track nursing home resident hospitalization rates.

Link: To view the entire OIG Work Plan for FY 2014, go to oig.hhs.gov/reports-and-publications/archives/workplan/2014/Work-Plan-2014.pdf.

