Managed Care: Oversight and Compliance Risks

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Overview
• OIG – who we are, what we do
• Risk Areas
• OIG’s Priorities
• OIG’s Managed care reports and CIAs
Who we are:

What we do:

Audit  Evaluate  Investigate  Counsel
Identifying Risk Areas

• Program Vulnerabilities
• Data Analytics
• Hotline, Qui Tams, Tips
• OIG Collaboration

OIG-Identified Risks

• HHS Top Management Challenges
• Work Plan
• Semi-Annual Report, HCFAC Report
• Audits, Evaluations, Investigative Results
• Website – oig.hhs.gov
Managed Care Risk Areas

• Inappropriate denial of services
• Provider network issues
• MA Risk Adjustment Data
• Payments to ineligible providers
• Data quality and security problems
• Others
Managed Care

Medicare Advantage | Medicaid Managed Care

Why do we care?

- Beneficiary Harm
- Fraud in one program often means fraud in another program
- Fraud in Managed Care can increase taxpayer costs
- Federal Government has the enforcement tools: criminal, civil, administrative
Quality
- Network Adequacy
- Denials
- Appeals

Federal $
- Fraud
- RADV
- Rates

Data
- Security
- Adequacy
- Compliance
Access to Care

• Network Adequacy

• Workforce

• Support services

Federal Funds
OIG Report: Essence Healthcare, Inc. – Targeted RADV

• Focused on specific diagnosis codes
• 75 of 218 had unsupported codes
• $158,904 in identified overpayments
• Cause: Policies and procedures to detect and correct noncompliance were ineffective

OIG Report: MA Payments from Chart Reviews

• Review of 2016 diagnoses data that resulted from chart reviews
• Findings:
  • $6.7 billion paid in 2017 to MAOs for chart reviews
  • $2.6 billion of the chart review payments did not link to specific services
Data

DATA

Adequacy

Compliance

Security
Freedom Health CIA (May 2017)

- Provider Network Review:
  - Network Adequacy
  - New contract
  - Expanded Service Area Contracts

- Diagnosis Coding Review
  - Filtering logic
  - 100 member sample

Beaver Medical Group CIA (Dec. 2019)

- 5-year CIA
- Annual Chart Review
- Sample of 100 members enrolled in MA plans
- Review of diagnoses data and associated medical records
- Gives OIG discretion to limit any year’s population by treating physician or using other factors
Conclusion

• OIG is focused on oversight and enforcement in Managed Care:
  • Quality – more Americans than ever rely on Managed Care,
  • Federal $ – ensure the financial integrity of HHS programs,
  • Data – leverage data to identify risk areas

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