

# August 2024 OIG Work Plan Updates



**CJ Wolf** MD, CHC, CPC, CCEP, CIA

It does not appear that the OIG took a summer break. They were busy adding new items to their Work Plan in August. We've highlighted a select number of them below.



### **MEDICARE PAYMENTS FOR KNEE INJECTIONS**

Many human joints, like the knee joint, contain a special tissue called the synovial membrane. Certain cells in this membrane make hyaluronan which provides compression strength, lubrication, and hydration within the joint.

Degenerative joint disease adversely affects the concentration of hyaluronan, also known as hyaluronic acid. This can result in joint pain, mobility problems, reduced function, and reduced ability to complete activities of daily living.

Hyaluronic acid knee injections are used to treat individuals with degenerative joint disease(s) such as knee osteoarthritis. The OIG plans to determine whether Medicare paid physicians for hyaluronic acid injections in accordance with Medicare requirements.

OIG reports that from 2016 and 2023, National Institutes of Health awarded more than \$5.3 billion in other transactions to fund public health initiatives and biomedical research programs.



### **AUDIT OF NIH OTHER TRANSACTIONS AWARD RECIPIENTS' COSTS**

The National Institutes of Health (NIH) provides billions of dollars in grants and funding to award recipients each year. They are also one of the Federal agencies with authority to fund programs through instruments known as Other Transactions (OTs).

OTs are a funding mechanism that allows for a high degree of flexibility in how agreements are awarded. They are not usually subject to the Federal Acquisition Regulation (FAR) or grant regulations, unless otherwise stated in the award's terms and conditions. As such, OTs are considered higher risk than traditional awards, such as a contract or grant, and should generally only be used when a Federally funded project cannot be accomplished under a traditional award. However, OTs are subject to the OT authority that governs the initiative and applicable legislative mandates.

OIG reports that from 2016 and 2023, NIH awarded more than \$5.3 billion in OTs to fund public health initiatives and biomedical research programs. Past work performed by the OIG identified weaknesses in NIH's

processes for determining allowable costs incurred under OT awards. OIG plans to perform a series of audits of selected OT recipients with the objective of determining whether the NIH OT award recipient claimed costs that were allowable in accordance with the terms and conditions of its NIH OT award.



### AUDIT WHEN PAYMENTS EXCEEDED CHARGES

Medicare Part B covers, among other services, drugs and biologicals that are usually not self-administered, physicians' services, outpatient hospital services, durable medical equipment, and outpatient physical therapy, occupational therapy, and speech-language pathology services. Claims for these types of services are adjudicated and paid by Medicare Administrative Contractors (MACs), which Medicare contracts to perform these duties.

Under most circumstances, Medicare Part B payments are based on a fee schedule, prospective payments system, or some other method (e.g., a percentage of the average sales price for Part B drugs and biologicals), instead of a cost or charge basis. Usually, a healthcare provider's billed charges exceed the amount that Medicare pays for Part B items and services.

With this in mind, a Medicare payment that significantly exceeds the billed charges can sometimes be an overpayment. Past OIG audits found that when a healthcare provider was paid more than it charged for a claim line, that claim line was often incorrect, which resulted in overpayment to the healthcare provider. The OIG's objective for this audit will be to determine whether certain Medicare payments that exceeded charges for Medicare Part B items and services were correct.



### HEALTH CARE FACILITIES DURING THE 2024 HURRICANE SEASON

CMS has emergency preparedness requirements for many of their enrolled providers. An example of this is the [Emergency Preparedness Rule](#). Each provider and supplier has its own set of Emergency Preparedness regulations incorporated into its set of conditions or requirements for certification. Furthermore, providers must be in compliance with Emergency Preparedness regulations to participate in the Medicare or Medicaid program. CMS provides checklists and training on their Emergency Preparedness rule website referenced above.

Hurricanes are an example of the types of emergencies providers should be prepared for. During hurricane season (typically June 1 through November 30) there are regular reports of some healthcare facilities failing to appropriately tend to patients under their care. For example, see this [news story](#) and [this video](#).

In many cases, these failures result from a lack of preparedness. The 2024 hurricane season was forecast to have above-normal storm activity. In an attempt to improve health care facilities' preparedness and response, the OIG plans to synthesize program and performance data to provide new insights about facilities and geographic areas that may be at risk and potentially less prepared for a hurricane or similar storm event.

This information could be used by the U.S. Department of Health and Human Services to minimize the potential effects of these risks before, during, or following a hurricane event with the ultimate goal of improving continuity of care during such events.



CJ Wolf

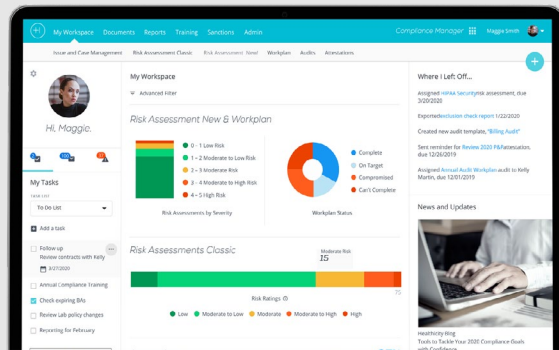
MD, CHC, CPC, CCEP, CIA

CJ Wolf is a healthcare professional with more than 20 years of experience in hospital and physician revenue cycle, practice management, compliance, coding, billing, and client services. He has provided healthcare consulting and solution services to hospitals and physician organizations throughout the country.



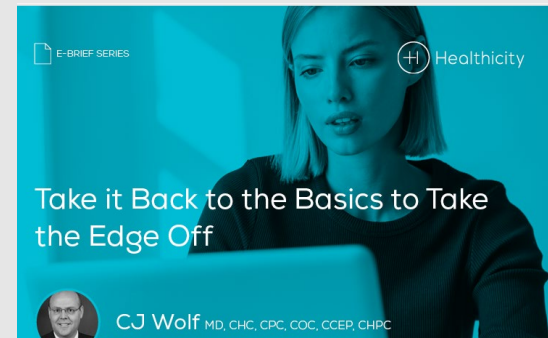
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