



U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES  
**OFFICE OF INSPECTOR GENERAL**

# 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



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# Who we are:



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# What we do:



**Audit**



**Evaluate**



**Investigate**



**Counsel**

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## Identifying Risk Areas

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



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## OIG-Identified Risks

- HHS Top Management Challenges
- Work Plan
- Semi-Annual Report, HCFAC Report
- Audits, Evaluations, Investigative Results
- Website – [oig.hhs.gov](http://oig.hhs.gov)



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## Managed Care Risk Areas

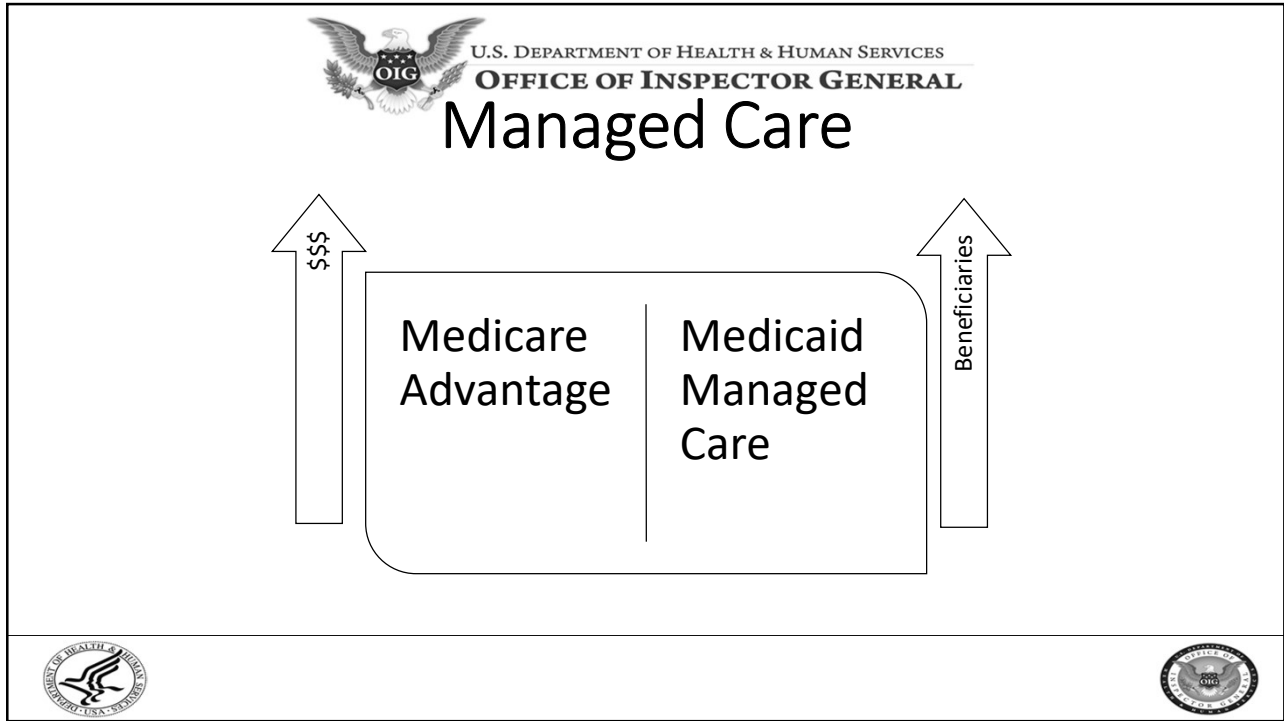
- Inappropriate denial of services
- Provider network issues
- MA Risk Adjustment Data
- Payments to ineligible providers
- Data quality and security problems
- Others




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## 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

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## Quality

- Network Adequacy
- Denials
- Appeals

## Federal \$

- Fraud
- RADV
- Rates

## Data

- Security
- Adequacy
- Compliance



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# Quality



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# Access to Care

- Network Adequacy
- Workforce
- Support services



U.S. Department of Health and Human Services  
**Office of Inspector General**

**Provider Shortages  
and Limited  
Availability of  
Behavioral Health  
Services in New  
Mexico's Medicaid  
Managed Care**

OEI-02-17-00490  
September 2019  
oig.hhs.gov

**Joanne M. Chiedi**  
Acting Inspector General



LIMITED OFFICIAL USE



# Federal Funds





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## 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



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## 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



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# Data



## DATA



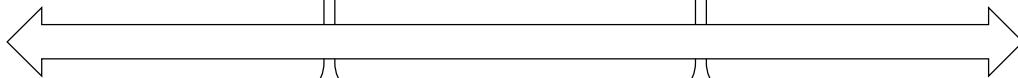
Adequacy



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



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## 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



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## 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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## Stay Connected



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