

January 2007

Re: 2007 Work Plan of the Office of Inspector General (OIG)

Dear Madam or Sir:

The OIG recently released its 2007 Work Plan, which details the OIG's audit, evaluative, investigative and enforcement priorities for the coming year. This article focuses on Work Plan areas of interest directed at physicians. New initiatives for 2007 Work Plan include the following:

- **“Incident to” Services.** The OIG will identify services performed “incident to” physicians’ professional services and determine the extent to which the services meet Medicare standards for medical necessity, documentation, and quality of care.
- **Eye Surgeries.** The OIG will examine whether Medicare payments for ophthalmology services related to cataract and lasik eye surgery were billed in accordance with Medicare requirements. The OIG will also examine the adequacy of carrier claims processing controls to prevent inappropriate payments for these services.
- **Place of Service Errors.** The OIG will investigate whether physicians properly coded the place of service on claims for services provided in ambulatory surgical centers and hospital outpatient departments.
- **Evaluation and Management Services During Global Surgery Periods.** The OIG will review whether physicians received separate payments for evaluation and management (E&M) services provided during the global surgery period. The OIG also intends to determine whether industry practices related to the number of E&M services provided during the global surgery period have changed since the global surgery fee concept was initially developed in 1992.
- **Psychiatric Services Provided in an Inpatient Setting.** The OIG will determine whether psychiatric services provided in an inpatient setting are being properly billed to Medicare.
- **Medicare Reimbursement for Polysomnography.** The OIG will investigate the factors contributing to the rise in Medicare reimbursements for polysomnography. The OIG also intends to examine the appropriateness of services billed to Medicare.

- **Long Distance Physician Claims Associated with Home Health and Skilled Nursing Facility Services.** The OIG will determine whether Medicare Part B long distance physician services are inappropriately billed for beneficiaries of home health and skilled nursing facility services.
- **Violations of Assignment Rules by Medicare Providers.** The OIG will examine the extent to which providers are billing beneficiaries in excess of amounts allowed by Medicare requirements. The OIG 'will also assess beneficiaries' awareness of their rights and responsibilities regarding potential billing violations and Medicare coverage guidelines.
- **Advanced Imaging Services in Physician Offices.** The OIG will examine the appropriateness of imaging services provided in physician offices and will also examine the nature of the growth of these services, including examination of billing patterns in certain geographic areas and practice settings.

Continued areas of interest from the 2006 Work Plan include the following:

- **Billing Service Companies.** The OIG will identify the types of arrangements that physicians and other **Medicare** providers have with billing services and determine the impact of these arrangements on physicians' billings.
- **Physician Pathology Services.** The OIG will identify and review the relationships between physicians who furnish pathology services in their offices and outside pathology companies.
- **Cardiography and Echocardiography Services.** The OIG will review Medicare payments for cardiography and echocardiography services to determine whether physicians billed appropriately for the professional and the technical components of the services.
- **Physical and Occupational Therapy Services.** The OIG will review Medicare claims for therapy services provided by physical and occupational therapists to determine whether the services were reasonable and medically necessary, adequately documented, and certified by physician certification statements.
- **Payment to Providers of Care for Initial Preventive Physical Examination.** The OIG will evaluate the impact of the initial preventive physical examination (IPPE) on Medicare payments and

physician billing practices.

- **Part B Mental Health Services.** The OIG will determine whether Medicare Part B mental health services provided in physicians' offices were medically necessary and billed in accordance with Medicare requirements. Also, the OIG intends to determine the financial impact of claims that do not meet Medicare requirements.
- **Wound Care Services.** The OIG will examine whether claims for wound care services were medically necessary and billed in accordance with Medicare requirements. Also, the GIG intends to examine the adequacy of controls to prevent inappropriate payments for wound care services.
- **Potential Duplicate Physical Therapy Claims.** The OIG will review the current Common Working File operations to determine whether edits are adequately identifying the potential duplication of physical therapy claims submitted to Part A and Part B contractors.

The foregoing list represents a partial list of the OIG's priority issues for 2007. A comprehensive list can be found in the 2007 Work Plan, which is available at <http://oig.hhs.gov/publications/workplan.html#1>. Please note that while the issues set forth in the 2007 Work Plan represent specific areas of interest to the OIG, the Work Plan should not be relied upon exclusively as an indication of what the OIG will investigate and/or prosecute in the year ahead. As always, you should strive to ensure that your practices are in full compliance with *all* applicable state and federal laws and regulations, not just those areas enumerated in the 2007 Work Plan. Please contact our office with any questions regarding the 2007 Work Plan.