



Department of Health & Human Services

Office of
Inspector
General

Compendium of Unimplemented Recommendations

March 2011 Edition

Introductory Message From the Office of Inspector General

Background

THE DEPARTMENT OF HEALTH & HUMAN SERVICES (HHS) Office of Inspector General (OIG) *Compendium of Unimplemented Recommendations* (Compendium) summarizes significant¹ monetary and nonmonetary recommendations that, when implemented, will result in cost savings and/or improvements in program efficiency and effectiveness. Compendium recommendations result from audits and evaluations that are performed pursuant to the Inspector General Act of 1978, as amended. Implementation generally requires one or more of three types of actions: legislative, regulatory, or administrative. Some issues involve more than one type of action.

Each narrative in the Compendium contains a background summary, findings, recommendation(s), management response summary, status, and report titles, numbers, and issue dates. In the case of monetary recommendations, there is also an estimate of the savings that may be achieved by implementing the recommendations. The estimated value of each monetary recommendation is based on the specifics of each review and is not projected beyond the scope of the original review. The estimates provide indicators of potential savings, but the actual savings to be achieved depend on the scope of the legislative, regulatory, or administrative implementing actions.

At the beginning of each fiscal year (FY) OIG follows up with HHS and its operating and staff divisions to determine their progress in implementing recommendations that were included in the preceding edition of the Compendium and in reports that were issued during the closed fiscal year. The March edition of the Compendium updates the status of recommendations that were not fully unimplemented as of September 30, 2010 and represent significant opportunities for action in FY 2011.

¹ The Compendium does not include all unimplemented OIG recommendations. For example, it does not include recommendations that are only to collect improper payments or those that are addressed to specific non-Federal entities. It also does not include recommendations that are systemically significant but involve sensitive security issues.

OIG relies on policy makers such as HHS and its operating and staff divisions, the Administration, Congress, and States to take the necessary steps to achieve optimal outcomes. Although many OIG recommendations are directly implemented by organizations within HHS, some are acted on by States that collaborate with HHS to administer, operate, and/or oversee designated federally funded programs such as Medicaid. HHS and States sometimes do not immediately implement OIG's recommendations for various reasons, including administrative complexities, the current policy environment, or a lack of statutory authority. In such cases, Congress may step in to incorporate OIG's recommendations into legislative actions, resulting in substantial funds being put to better use and/or in improvements in areas such as quality of care, program integrity, or better information systems and processes.

HHS Organization and Programs

The Compendium's structure mirrors HHS's organization and related programs.

Centers for Medicare & Medicaid Services Programs

The programs of the Centers for Medicare & Medicaid Services (CMS), which include Medicare, Medicaid, and the Children's Health Insurance Program (CHIP), generally account for more than 80 percent of HHS's budget. The programs provide medical coverage for adults and children in certain statutorily defined categories.

Public Health and Human Service Programs and Departmentwide Issues

- Public Health. Public Health-related agencies—including the Agency for Healthcare Research and Quality (AHRQ), the Centers for Disease Control and Prevention (CDC), the Food and Drug Administration (FDA), the Health Resources and Services Administration (HRSA), the Indian Health Service (IHS), and the National Institutes of Health (NIH)—promote biomedical research; prevent and cure diseases; ensure the safety and efficacy of marketed food, drugs, and medical devices; or conduct other activities designed to ensure the general health and safety of Americans.
- Human Services. The Administration on Aging (AoA) and the Administration for Children and Families (ACF) provide Federal direction and funding for State-administered efforts designed to promote stability,

economic security, responsibility, and self-support for the Nation's families and to establish comprehensive community-based systems to help maintain dignity and quality of life.

- Departmentwide and cross-cutting issues. Departmentwide functions include policies and procedures for financial accounting, information systems management, oversight of grants and contracts, and selected initiatives involving more than one HHS organizational entity.

Priority Recommendations

Below is a list of open recommendations that we refer to as “priority recommendations” because in our view they represent the most significant opportunities to positively impact HHS’s programs. The recommendations, which are a mix of monetary and nonmonetary improvements, are presented in the order in which they are found in the Compendium.

Compendium Part I

Medicare Part A and Part B (Traditional Medicare)

- Hospitals—Modify Policy To Reduce or Eliminate Medicare Payments for Hospital Bad Debts. Estimated savings \$340 million.
- Hospices—Ensure That Hospice Claims for Beneficiaries in Nursing Facilities Comply With Medicare Coverage Requirements. Nonmonetary.
- Practitioners—Adjust Eye Global Surgery Fees To Reflect the Number of Evaluation and Management Services Actually Being Provided by Physicians. Estimated savings \$97.6 million.
- Medical Equipment and Supplies—Ensure Medical Equipment Suppliers’ Compliance With Medicare Enrollment Standards. Estimated savings to be determined (TBD).
- Medical Equipment and Supplies—Reduce the Rental Period for Medicare Home Oxygen Equipment. Estimated savings \$3.2 billion.
- Medical Equipment and Supplies—Eliminate Medicare’s Vulnerability to Fraudulent or Excessive Inhalation Drug Claims. Estimated savings TBD.

- Medical Equipment and Supplies—Ensure That Medicare Power Wheelchair Suppliers Meet Documentation Requirements.

Compendium Part II

Medicare Part C (Medicare Advantage)

- Modify Payments to Medicare Advantage Organizations. Estimated savings \$1.97 billion.
- Review Vulnerabilities Within Sales Agents' Marketing of Medicare Advantage Plans. Nonmonetary. (New)

Medicare Part D (Prescription Drug Benefit)

- Ensure Accuracy of Prescription Drug Plan Sponsors' Bids and Prospective Payments. Estimated savings TBD.
- Implement Safeguards To Prevent and Detect Fraud and Abuse in Medicare Prescription Drug Plans. Nonmonetary.
- Ensure the Validity of Prescriber Identifiers on Medicare Part D Drug Claims.

Compendium Part III

Medicaid Reviews

- Medicaid Federal and State Partnership—Limit Enhanced Payments to Costs and Require That Medicaid Payments Returned by Public Providers Be Used To Offset the Federal Share. Estimated savings \$120 million.
- Medicaid Prescription Drugs—Ensure That Medicaid Reimbursement for Brand-Name Drugs Accurately Reflects Pharmacy Acquisition Costs. Estimated savings \$1.08 billion for brand-name drugs.
- Medicaid Prescription Drugs—Establish Connection Between the Calculation of Medicaid Drug Rebates and Drug Reimbursement. Estimated savings \$1 billion.
- Medicaid Prescription Drugs—Extend Additional Rebate Payment Provisions to Generic Drugs. Estimated savings \$966 million.

- Children's Health— Improve Medicaid Children's Access to Required Preventive Screening Services.

Compendium Part IV

Public Health Reviews

- Centers for Disease Control and Prevention—Improve State and Localities' Medical Surgical Preparedness for Pandemics. Nonmonetary.
- Food and Drug Administration—Improve and Strengthen Food Facilities' Compliance With Records Requirements for Traceability of Food Products. Nonmonetary.
- Food and Drug Administration and National Institutes of Health—Ensure That Clinical Investigators Disclose All Financial Interests. Nonmonetary.
- National Institutes of Health—Increase Oversight of Grantee Institutions To Ensure Compliance With Federal Financial Conflict-of-Interest Regulations. Nonmonetary.
- Indian Health Service—Reduce Overpayments for Contract Health Services Hospital Claims and Cap Payments for Nonhospital Services at the Medicare Rate for Those Services

If you have questions about this publication, please contact OIG's Office of External Affairs at 202-619-1343.

To report potential instances of waste, fraud, or abuse related to HHS's programs, you may contact the OIG Hotline by phone at 1-800-HHS-TIPS (1-800-447-8477) or via our Web site at <http://www.oig.hhs.gov>.

For information about mail, fax, and TTY options and the types of information needed in your report, please visit <http://www.oig.hhs.gov/fraud/hotline>.

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Appendix:	Acronyms and Abbreviations

Note: The page numbering for the body of each major part of the Compendium begins with page 1, e.g., I-1, II-1, III-1, IV-1.