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Health Care Bulletin

OIG REPORT – THE LOW HANGING FRUIT – EXCLUDED PROVIDERS IN MEDICAID MANAGED CARE PLANS

By: Ari J. Markenson, J.D., M.P.H.

On September 27, 2012, the US Department of Health and Human Services Office of the Inspector General's ("OIG") Office of Evaluation and Inspections a report ([OEI-07-09-00632](#)) entitled "Excluded Individuals Employed by Providers Enrolled in Medicaid Managed Care Entities".

Identifying excluded individuals that are connected to the Medicare and Medicaid programs has traditionally been low-hanging fruit for the government. It is an easy issue to prove and the recoveries can be significant. This study is just one more example of the OIG's focus on this area that is easy to enforce.

You can find a discussion of what excluded individuals are and how to avoid the issue in our Benesch Issue Brief entitled "[Individuals Excluded from Federal Health Care Programs or Federal Contracting: Protecting Your Organization.](#)"

This most recent OIG study looked at employees at providers participating in Medicaid managed care plans, which are federally funded health care programs. The OIG focused on these providers because they are not under direct oversight by the state Medicaid programs and it wanted to determine if the managed care provider networks are vulnerable to excluded providers.

The OIG reviewed an employee roster of 248,869 individuals from sampled providers. Of those individuals it identified 16 individuals who were excluded among the employees of 14 sampled providers. While the amount of excluded individuals identified may seem small in contrast to the sample reviewed, providers have to understand the risk involved.

The OIG unfortunately did not quantify the federal health care program dollars that could be at risk for the 16 individuals identified. However, 8 of the were direct care providers. Depending upon the circumstances, if the direct-care provider has Medicare/Medicaid revenue associated with them, such as a physician, the dollars at risk can be significant. As a result, providers involved in any federal health care program, whether manager care or otherwise, need to be vigilant and have internal

processes designed to prevent and detect excluded individuals. While this issue is an easy target for the government, it is also an easy opportunity for providers to avoid liability by checking the exclusion lists on a regular basis.

You can find a copy of the OIG report here ---> [OEI-07-09-00632](#)

Benesch's Health Care Practice Group

Additional Information

For more information on the OIG Report, Medicare Program Integrity initiatives or related issues in the health care industry in general, please contact **Ari Markenson** or any member of Benesch's Health Care Department:

Cleveland

Harry Brown (216) 363-4606 or hbrown@beneschlaw.com

Greg Binford (216) 363-4617 or gbinford@beneschlaw.com

W. Clifford Mull (216) 363-4198 or cmull@beneschlaw.com

Dan O'Brien (216) 363-4691 or dobrien@beneschlaw.com

Alan Schabes (216) 363-4589 or aschabes@beneschlaw.com

Columbus

Frank Carsonie, Chair (614) 223-9361 or fcarsonie@beneschlaw.com

Janet Feldkamp (614) 223-9328 or jfeldkamp@beneschlaw.com

Meredith Rosenbeck (614) 223-5353 or mrosenbeck@beneschlaw.com

Marty Sweterlitsch (614) 223-9367 or msweterlitsch@beneschlaw.com

Indianapolis

Robert W. Markette, Jr. (317) 685-6128 or rmarkette@beneschlaw.com

White Plains

Ari J. Markenson (914) 682-6822 or amarkenson@beneschlaw.com

www.beneschlaw.com

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