



## Health Care Bulletin

### OIG WORK PLAN 2012: SKILLED NURSING FACILITIES

By: *Dan O'Brien, Esq. and Beth Rosenbaum, Esq.*

Recently, the U.S. Department of Health and Human Services Office of the Inspector General ("OIG") released its Work Plan for 2012. The OIG releases its Work Plan for each year in advance of the coming year. The Work Plan provides stakeholders in the health care industry with a broad overview of the OIG's activities in the coming year as they relate to its enforcement priorities and the issues it will evaluate during that year. This client alert is one in a series of alerts that will outline the OIG's activities, as discussed in the 2012 Work Plan, for a specific industry sector - Skilled Nursing Facilities ("SNFs").

The OIG's activities relating to SNFs for 2012 are broadly focused on issues such as quality of care, compliance plans, preparedness for natural disasters, and payment.

#### Quality of Care

- **Medicare Requirements for Quality of Care in Skilled Nursing Facilities**

The OIG will be conducting reviews of the extent to which SNFs have developed plans of care for beneficiaries. Along those lines, the OIG will be reviewing SNFs' use of Resident Assessment Instruments ("RAI") to ensure that beneficiaries' needs are accurately reflected in their plans of care.

- **Safety and Quality of Post-Acute Care**

Quality of care and the safety of beneficiaries as they are transferred

from acute care settings to SNFs will be an area of focus in 2012. This will include an evaluation of the transfer process, rates of adverse events, and preventable hospital readmissions. The OIG has identified the hospital discharge planning process and degree of communication and collaboration between acute and post-acute care providers as critical to ensuring safe transitions.

- **Hospitalizations and Rehospitalizations of Beneficiaries**

In 2007, the OIG found that 35% of hospitalizations during SNF stays were caused by poor quality of care or fragmentation of services. As part of its concerted focus on improving quality of care, OGI will review hospitalization and rehospitalization rates of beneficiaries in SNFs, and will examine CMS's oversight of facilities with high rates of hospitalization.

- **Oversight of Poorly Performing Nursing Homes**

The OIG will be analyzing the use of enforcement mechanisms to evaluate and improve quality of care in poorly performing SNFs. The OIG will also be examining the extent to which CMS and States initiate correction plans to ensure poorly performing SNFs meet Federal standards for participation.

#### Compliance Plans

- **Nursing Home Compliance Plans**

The OIG will review SNFs' implementation of compliance plans as part of their day-to-day operations, and will focus on whether these compliance plans contain the elements identified by the OIG in their compliance program guidance. The Patient Protection and Affordable Care Act requires SNFs to implement specific compliance and ethics programs by 2013, and the OIG will be assessing the development of such programs and whether CMS has incorporated compliance requirements into provider conditions of participation.

#### Payments

- **Medicare Part A Payments to Skilled Nursing Facilities**

The OIG will be reviewing Medicare Part A payments to SNFs to ensure they meet Medicare coverage requirements. The reviews will focus on medical necessity, proper coding and proper documentation. In a prior report, the OIG found that 26% of claims had Resource Utilization Groups ("RUGs") that were not supported by the patients' medical records, representing \$542 million in potential overpayments.

- **Questionable Billing Patterns During Non-Part A Nursing Home Stays**

The extent to which ancillary providers bill Medicare Part B for

services provided to residents in non-Part A stays has been a continuing focus area for the OIG. Particular areas of focus in 2012 will include podiatry, ambulance, laboratory and imaging services.

### Disaster Preparedness

- Nursing Home Emergency Preparedness and Evacuations During Selected Natural Disasters**

In 2006, the OIG reported that many nursing homes in Gulf States did not have adequate emergency plans. In response to these findings, the OIG has placed an emphasis on ensuring that SNFs are adequately prepared for all types of natural disasters, and is continuing to review SNFs emergency plans and preparedness to ensure they are in compliance with federal requirements.

Nursing home providers should be aware of each of the above areas of inquiry in the OIG's 2012 Work Plan as OIG Work Plan priorities often result in additional enforcement action, significant change in CMS policy, or both.

### Benesch's Health Care Practice Group

#### Cleveland

**Harry Brown** (216) 363-4606 or [hbrown@beneschlaw.com](mailto:hbrown@beneschlaw.com)

**Greg Binford** (216) 363-4617 or [gbinford@beneschlaw.com](mailto:gbinford@beneschlaw.com)

**W. Cliff Mull** (216) 363-4198 or [cmull@beneschlaw.com](mailto:cmull@beneschlaw.com)

**Daniel O'Brien** (216) 363-4691 or [dobrien@beneschlaw.com](mailto:dobrien@beneschlaw.com)

**Beth Rosenbaum** (216) 363-4519 or [brosenbaum@beneschlaw.com](mailto:brosenbaum@beneschlaw.com)

**Alan Schabes** (216) 363-4589 or [aschabes@beneschlaw.com](mailto:aschabes@beneschlaw.com)

#### Columbus

**Frank Carsonie**, Chair (614) 223-9361 or [fcaronie@beneschlaw.com](mailto:fcaronie@beneschlaw.com)

**Janet Feldkamp** (614) 223-9328 or [jfeldkamp@beneschlaw.com](mailto:jfeldkamp@beneschlaw.com)

**Benjamin Parsons** (614) 223-9366 or [bparsons@beneschlaw.com](mailto:bparsons@beneschlaw.com)

**Meredith Rosenbeck** (216) 363-4195 [mrosenbeck@beneschlaw.com](mailto:mrosenbeck@beneschlaw.com)

**Marty Sweterlitsch** (614) 223-9367 or [msweterlitsch@beneschlaw.com](mailto:msweterlitsch@beneschlaw.com)

#### Indianapolis

**Robert W. Markette, Jr.** (317) 685-6128 or [rmarkette@beneschlaw.com](mailto:rmarkette@beneschlaw.com)

#### White Plains

**Ari J. Markenson** (914) 682-6822 or [amarkenson@beneschlaw.com](mailto:amarkenson@beneschlaw.com)

### Additional Information

For more information on the OIG's Work Plan for 2012, its priorities, Medicare and Medicaid program integrity initiatives in general, or assistance with responding to an OIG inquiry relating to any issue, please contact:

**Daniel O'Brien** at 216.363.4691 or [dobrien@beneschlaw.com](mailto:dobrien@beneschlaw.com) or

**Beth Rosenbaum** at 216.363.4519 or [brosenbaum@beneschlaw.com](mailto:brosenbaum@beneschlaw.com)

[www.beneschlaw.com](http://www.beneschlaw.com)

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