

Report in Brief

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



Why OIG Did This Review

Provider-preventable conditions (PPCs) are certain reasonably preventable conditions caused by medical accidents or errors in a health care setting. Federal regulations effective July 1, 2011, prohibit Medicaid payments for services related to PPCs. The Centers for Medicare & Medicaid Services (CMS) delayed its enforcement of the regulations until July 1, 2012, to allow States time to develop and implement new payment policies. This review is one in a series of OIG reviews of States' Medicaid payments for inpatient hospital services related to PPCs.

Our objective was to determine whether Louisiana complied with Federal and State requirements prohibiting Medicaid payments for inpatient hospital services related to treating certain PPCs.

How OIG Did This Review

We reviewed the Medicaid paid claim data and the noncovered days for inpatient hospital claims from January 1, 2013, through June 30, 2017, to identify claims that contained at least one secondary diagnosis code for a PPC and those missing a present on admission (POA) code, or with a POA indicating that the condition was either not present on admission or the documentation in the medical record was insufficient to make a determination.

Louisiana Did Not Comply With Federal and State Requirements Prohibiting Medicaid Payments for Inpatient Hospital Services Related to Provider-Preventable Conditions

What OIG Found

Louisiana did not comply with Federal and State requirements prohibiting Medicaid payments for inpatient hospital services related to treating certain PPCs because it did not have controls to identify claims with PPCs that would have required a reduction in claim payment. Specifically, Louisiana did not (1) ensure hospitals were submitting the days associated with services related to PPCs as noncovered days, (2) conduct postpayment reviews for PPCs, and (3) identify claims with missing POA codes.

We identified inpatient hospital claims totaling \$55.4 million (\$34.9 million Federal share) that contained a diagnosis code identified as a PPC and certain POA codes, or the claims were missing POA codes.

What OIG Recommends

We recommend that Louisiana (1) work with CMS to determine what portion of the \$34.9 million Federal share claimed was unallowable for Federal Medicaid reimbursement and refund to the Federal Government the unallowable amount; (2) review all claims before our audit period (with dates of admission from July 1, 2012, and paid through December 31, 2012), and all claims paid after our audit period (June 30, 2017), to determine whether payments should be reduced for any claims that contained PPCs, refunding to the Federal Government its share of any unallowable amounts; and (3) strengthen its internal controls to ensure hospitals submit services related to PPCs as noncovered days, postpayment reviews are conducted, and POA codes are submitted on claims.

Louisiana agreed with our recommendations and described actions it will take to address them.