

# PUBLICATION

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## OIG Hospital Compliance Audits: Is Your Number Up? Are You Ready?

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In its Work Plan for Fiscal Year 2012, the Office of Inspector General (OIG) of the U.S. Department of Health and Human Services (HHS) announced it would begin reviews of Medicare payments to hospitals to determine compliance with selected billing requirements.

Over the past three years, following these compliance audits, the OIG has increasingly been using the results of these reviews to recommend recovery of overpayments and identify providers that routinely submit improper claims.

Unfortunately, through the use of an extrapolation process which is often ill suited to this process, the results of these audits are often "overpayment" claims which are far beyond what appears reasonable, or based on sound methodology, resulting in overpayment demands in the millions.

Many of these audit findings are now the subject of administrative appeals. Many hospitals which have gone through the audit process have objected to them as being redundant and burdensome. The American Hospital Association weighed in with a letter last year to the HHS Secretary lobbying for a change in the process. But the audit notice letters keep on coming. If your hospital or hospital client has not yet undergone such an audit, it is only because, as one OIG agent explained, your "number has not yet come up."

The OIG explained in its 2012 Work Plan announcement both how a hospital will be picked for audit and the probable subject matters of the audit. Based on computer matching and data mining techniques the OIG identifies areas "at risk" for noncompliance with Medicare billing requirements and from this data analysis the OIG selects hospitals for focused reviews of claims.

Using the same data analysis techniques, the OIG identifies hospitals that broadly rank as least risky across compliance areas and those that broadly rank as most risky.

If your hospital is selected for audit, you will receive a letter notifying the hospital of the upcoming audit.

Please [click here](#) for a more in-depth look at OIG Hospital compliance audits.

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