

Priority Recommendations

Below is a list of unimplemented recommendations that we refer to as “priority recommendations” because they represent, in our view, the most significant opportunities to positively impact the Department’s programs. The priority recommendations are comprised of both monetary and non-monetary recommendations, representing various time frames. The list comprises three categories: savings, integrity and efficiency, and quality of care. These areas reflect OIG’s mission to ensure the appropriate expenditure of Federal dollars; protect the integrity of the Department’s programs against waste, fraud, and abuse; improve program efficiency; and protect the health and safety of program beneficiaries.

Savings:

- Reduce the Rental Period for Medicare Home Oxygen Equipment, savings TBD (p. 2)
- Improve Coding and Reimbursement for Medicare Consultation Services, estimated savings \$1.1 billion (p. 4)
- Reduce Improper Use of Modifier 25, estimated savings \$538 million (p. 5)
- Modify Payment Policy for Medicare Hospital Bad Debts, estimated savings \$340 million (p. 14)
- Establish More Consistent Medicare Outpatient Surgery Rates That Reflect Only Necessary Costs, estimated savings \$1.1 billion (p. 17)
- Ensure the Medical Necessity of Medicare Ambulance Claims, estimated savings \$402 million (p. 26)
- Limit Upper Payment Limit Payments to Cost and Require That Medicaid Payments Returned by Public Providers Used To Offset the Federal Share, estimated savings \$120 million (p. 31)
- Address and Resolve Excessive Medicaid Disproportionate Share Hospital Payments, savings TBD (p. 33)
- Require That Medicaid Reimbursement for Brand-Name and Generic Drugs Accurately Reflects Pharmacy Acquisition Costs, estimated savings \$1.08 billion for brand-name drugs (p. 35) and \$470 million for generic drugs (p. 36)
- Establish Connection Between the Calculation of Medicaid Drug Rebates and Drug Reimbursement, estimated savings \$1.15 billion (p. 39)

Integrity and Efficiency:

- Ensure That Prescription Drug Plan Sponsors’ Compliance Plans Address All Requirements (p. 57)
- Improve Centers for Medicare & Medicaid Services Performance Evaluation Process for Program Safeguard Contractors (p. 58)
- Improve Monitoring of Patient Safety Grants (p. 59)
- Update and Maintain an Accurate New Drug Code Directory (p. 60)
- Improve Postmarketing Oversight (p. 61)
- Improve Oversight and Review of Outside Activities of Senior-Level National Institutes of Health Employees (p. 62)
- Improve Oversight of State Standards and Practices for Content and Frequency of Caseworker Visits to Children in Foster Care (p. 68)

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Quality of Care:

- Improve Hospital Reporting of Deaths Related to Restraint and Seclusion (p. 49)
- Improve the Availability of Quality-of-Care Data in the Medicare End Stage Renal Disease Program (p. 51)
- Strengthen Food and Drug Administration Oversight of Clinical Investigators (p. 95)
- Protect Human Research Subjects by Strengthening Institutional Review Boards (p. 96)