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How Insights from OIG Healthcare Audits
Impact Your Healthcare Organization

EXECUTIVE SUMMARY

The Office of Inspector General (OIG) conducts audits to ensure compliance with Medicare requirements and to improve the transparency and efficiency of healthcare payment systems. We chose a sample of six recent audits, which include:

OAS-24-07-015, OAS-24-09-012, OAS-25-01-003, OEI-09-24-00350, WA-24-0061 and WA-24- 0063. These audits focus on critical areas that have far-reaching implications for healthcare providers and the integrity of the Medicare program.

First, the **OAS-24-07-015** audit evaluates the use of Health Risk Assessments (HRAs) in Medicare Advantage programs, aiming to determine whether diagnoses reported through HRAs align with federal standards.

OAS-24-09-012 examines Medicare payments for oxygen and oxygen equipment, addressing concerns about improper billing and ensuring the medical necessity of these claims.

OAS-25-01-003 focuses on “incident-to” billing practices under Medicare Part B, where services performed by non-physician practitioners are billed under a physician’s name, raising questions about proper documentation and supervision.

The **OEI-09-24-00350** audit reviews Medicare spending on the top 25 clinical diagnostic laboratory tests, highlighting trends and assessing the impact of private healthcare market rates on payment structures.

WA-24-0061 investigates claims where Medicare payments exceeded charges, seeking to address potential overpayments and ensure compliance with reimbursement rules.

Finally, **WA-24-0063** analyzes hyaluronic acid knee injections for joint pain management, assessing whether payments for these services meet Medicare’s coverage and documentation requirements.

These audits consistently identify systemic issues, including improper payments, documentation deficiencies and non-compliance with federal regulations, which pose significant risks to healthcare facilities. Such risks include “financial liabilities from repayment demands and penalties, reputational damage due to publicized noncompliance, and operational burdens associated with audits and corrective actions” (OIG,2024).

OBJECTIVES

- **Highlight OIG Audit Findings:** Summarize key findings from recent OIG audits to inform healthcare facilities of critical compliance risks.
- **Identify Potential Risks:** Outline financial, operational, reputational and compliance-related threats faced by healthcare facilities due to improper billing and noncompliance with Medicare regulations.
- **Emphasize Compliance Necessities:** Stress the importance of adhering to Medicare guidelines to mitigate risks and ensure the proper use of federal funds.
- **Provide Mitigation Strategies:** Offer actionable recommendations, such as regular audits, staff training and documentation improvement, to address potential vulnerabilities.
- **Support Operational Integrity:** Advocate for proactive measures to safeguard revenues, enhance patient trust and maintain the quality of care amidst regulatory scrutiny.

INTRODUCTION

Windham Brannon Healthcare Consulting specializes in assisting healthcare organizations, including hospitals and medical practices, with services like revenue cycle optimization and the implementation of artificial intelligence solutions tailored for the healthcare sector.

Our expertise encompasses revenue cycle management, operations, patient access and patient financial services, bringing real-world knowledge to modern healthcare management challenges.

Our combined expertise ensures that clients receive personalized, customized solutions uniquely adapted to fit their needs.



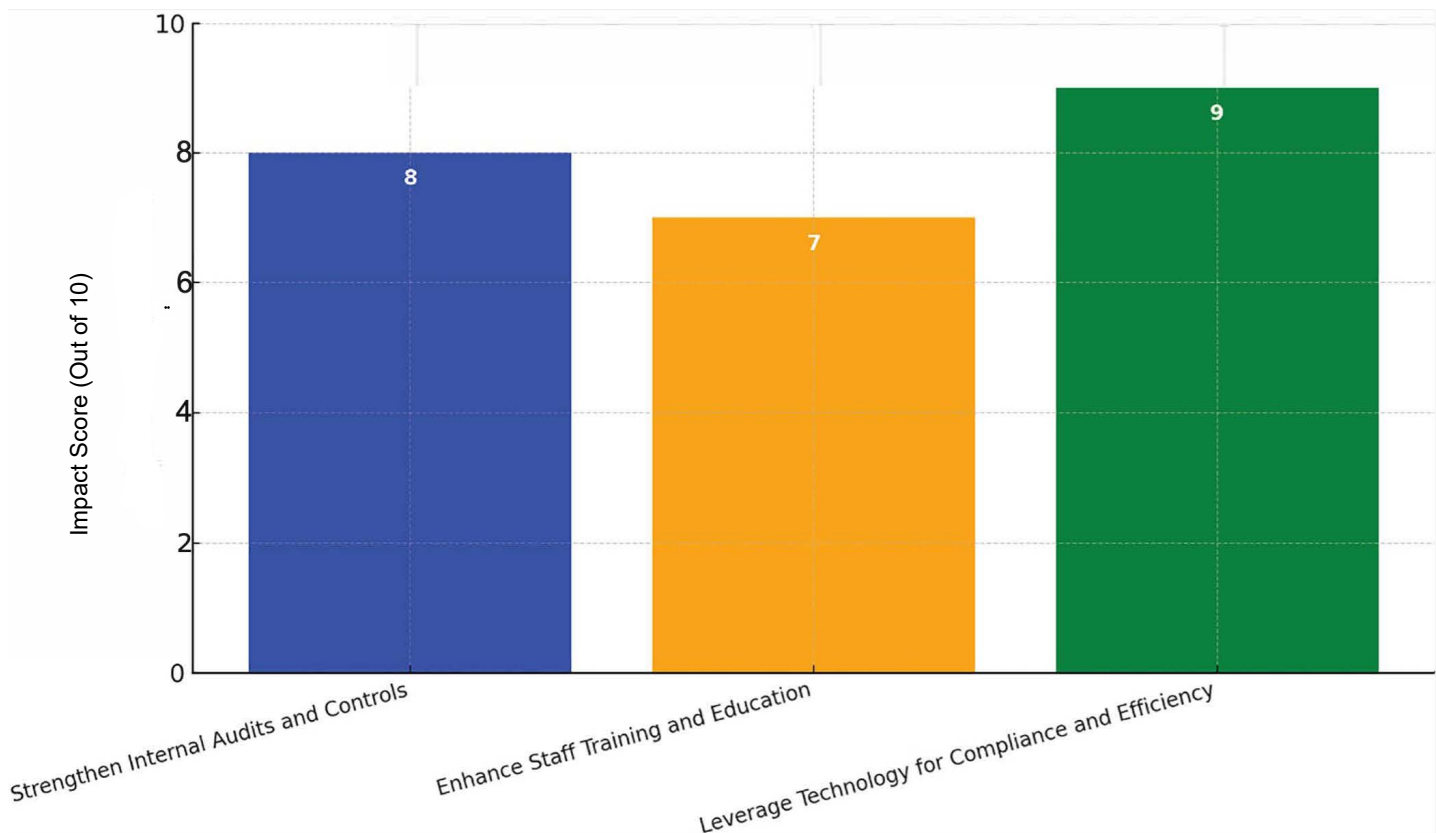
Windham Brannon Healthcare Consulting is committed to delivering transformative solutions that drive change in healthcare finance and operations, emphasizing the implementation of process-based improvements led by experts who understand the intricacies of healthcare financial management.

Our reviews within this white paper identify critical insights into potential vulnerabilities within the Medicare system and the healthcare facilities it serves.

OIG Audit Background

The OIG conducts audits and evaluations to “ensure the integrity of Medicare programs and the proper use of federal funds” (M.H.,2024). Recent audits have focused on areas such as Medicare Advantage HRAs, payments for durable medical equipment like oxygen supplies, incident-to billing practices, clinical laboratory testing, claim lines where payments exceed charges and hyaluronic acid knee injections. These audits aim to identify improper payments, non-compliance with Medicare requirements and inefficiencies in billing practices. By addressing these issues, the OIG seeks to safeguard taxpayer dollars, improve healthcare outcomes and ensure equitable access to services for Medicare beneficiaries. Healthcare facilities must stay informed and compliant to navigate these regulatory challenges effectively.

Impact of Strategies to Address 2025 OIG Workplan



CHALLENGES AND OPPORTUNITIES FOR HEALTHCARE

The 2025 OIG Workplan brings forth a range of priorities aimed at enhancing compliance and operational integrity across the healthcare sector. For healthcare organizations, including laboratories and providers serving dual-eligible Medicaid and Medicare populations, these priorities represent both challenges and opportunities to refine processes and mitigate risks. A thorough understanding of the Workplan's focus areas can help organizations navigate regulatory scrutiny effectively while strengthening their operations.

Key Focus: Laboratory Billing Compliance

Laboratories, particularly high-volume entities, are under increased scrutiny regarding billing practices for services such as genetic testing and COVID-related diagnostics. Compliance with federal regulations is paramount, as even minor errors can lead to significant financial and legal consequences.

Laboratories can address this by the following:

- **Invest in Robust Internal Audits:** Comprehensive internal audits can identify discrepancies and vulnerabilities in billing systems before they escalate into compliance risks.
- **Leverage Technology for Real-Time Analytics:** Implementing advanced analytics tools can help monitor billing activities and detect anomalies promptly. This proactive approach minimizes risks and ensures adherence to regulatory standards.
- **Enhance Training Programs:** Staff involved in billing and coding should receive ongoing education to stay current with regulatory changes and best practices.

Strengthening Audit Preparedness

Audit readiness is critical in minimizing the impact of OIG investigations and ensuring operational continuity. Healthcare organizations can bolster their preparedness in the following ways:

A. Strengthen Internal Audits and Controls

- Conduct regular and comprehensive internal audits to identify and address compliance risks highlighted in the Workplan, such as laboratory billing, improper payments and population oversight.
- Implement automated tools for real-time error detection in claims processing to reduce manual errors and ensure accurate billing.
- Create a dedicated compliance team responsible for monitoring OIG updates and aligning organizational practices with regulatory requirements.

B. Enhance Staff Training and Education

- Develop targeted training programs for front-line staff and revenue cycle teams to ensure they understand new compliance priorities, such as stricter pre-authorization requirements and fraud prevention measures.
- Provide ongoing education for employees about the specific challenges of dual-eligible populations, emphasizing the importance of accurate eligibility verification and care coordination.
- Use scenario-based training to help staff identify and address potential compliance risks proactively.

CHALLENGES AND OPPORTUNITIES FOR HEALTHCARE CONTINUED

C. Leverage Technology for Compliance and Efficiency

- Invest in advanced analytics and tools, such as Windham Brannon's [SHOAR AI](#), to monitor billing practices, identify trends in claim denials and enhance alignment with OIG standards.
- Use electronic health record (EHR) systems with integrated compliance checks to streamline patient eligibility verification and pre-authorization processes.
- Implement systems to improve data sharing and collaboration between Medicaid and Medicare payers, reducing errors and inefficiencies.

Recommendations for Addressing the 2025 OIG Workplan

The 2025 OIG Workplan underscores the importance of adaptability and vigilance in the face of a dynamic and ever-evolving regulatory landscape; therefore, healthcare organizations should prioritize:

1. **Innovative Technology Investments:** Advanced systems for billing, coding and compliance monitoring are essential for ensuring accuracy and efficiency. Automation tools and analytics platforms should be integrated to enhance visibility and control.
2. **Comprehensive Training:** Regular training sessions for staff on compliance updates and best practices can help reduce errors and foster a culture of accountability.
3. **Transparent Communication:** Collaboration between departments and clear communication channels can aid in identifying and resolving issues early, ensuring a unified approach to compliance.

Seizing Opportunities in Compliance

While the OIG Workplan presents challenges, it also offers healthcare organizations an opportunity to improve operational efficiency and patient care through strategic adjustments. By proactively addressing compliance risks, strengthening internal controls and fostering a culture of transparency, organizations can align with regulatory expectations and position themselves as leaders in the healthcare sector.

Compliance is not merely a regulatory requirement but a pathway to achieving excellence in healthcare delivery. Through careful planning and execution, organizations can turn the challenges of the OIG Workplan into opportunities for growth and innovation.



SOURCES

OFFICE OF INSPECTOR GENERAL - Data Snapshot

Medicare Part B Spending on Clinical Diagnostic Laboratory Tests in 2022.

OFFICE OF INSPECTOR GENERAL - Reports and Publications: Ensuring Accountability in Medicare Payments

U.S. Department of Health and Human Services in 2024.

OFFICE OF INSPECTOR GENERAL - Work Plan: Audit of Medicare Claim Lines for Which Payments Exceeded Charges

U.S. Department of Health and Human Services in 2024.

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