

PUBLICATION

OIG April 2018 Work Plan Update

April 27, 2018

The OIG's April 2018 Work Plan update added six new items to its active list of scheduled audits, inspections, and evaluations. The OIG indicates its intention to review beneficiary access to drugs under Part D, as well as CMS's implementation efforts to improve its monitoring, tracking, and collecting of overpayment recoveries. Building on Work Plan audits from several years ago, the OIG will review the flow and utilization of federal matching funds for Medicaid nursing home supplemental payments and related intergovernmental transfers. In addition, the OIG proposes to audit both the Head Start Program and the Refugee Resettlement Program and, based on congressional request, to review HHS email policies. The updates are summarized below and listed in the accompanying table.

The OIG Office of Evaluations and Inspections (OEI) will conduct its annual review of Medicare Part D plan formularies to ensure these plans include the drugs most commonly used by dual eligible beneficiaries. This will be the eighth such annual report produced since its mandate by the Affordable Care Act. Past reports have consistently indicated a high rate of inclusion by plans of the top drugs most commonly used. [Last year's report](#) also found that the percentage of drugs to which plan formularies applied utilization management tools (i.e., prior authorization, quantity limit, step therapy) remained the same year over year at an average of 28 percent.

When the OIG identifies overpayments in its audit reports, it is up to CMS to actually collect those overpayments. The OIG identified concerns with CMS's efforts to collect these overpayments in a 2012 report entitled "Obstacles to Collection of Millions in Medicare Overpayments." ([A-04-10-03059](#)) The Office of Audit Services (OAS) will examine CMS's overpayment collection efforts in relation to OIG audit reports issued from October 1, 2014 to December 31, 2016. The OIG's audit reports during that time period recommended the recovery of \$648 million in overpayments. CMS agreed to collect approximately \$566 million of the overpayments identified by OIG. The OIG now plans to assess how successful CMS has been in collecting those overpayments. The OIG also intends to evaluate the extent to which CMS has implemented the process changes recommended by the OIG in its [2012 audit report](#).

With respect to Medicaid supplemental payments to nursing homes, the OAS will revisit an issue the OIG has examined before: intergovernmental fund transfers between state and local governments. Such mechanisms form much of the basis for matching federal payments that permit certain states to pay nursing homes the difference between Medicare and Medicaid rates for services provided to Medicaid residents. In the past, the OIG found some state and local governments used matching federal funds in contravention of their shared cost responsibility, with minimal additional payments going to the nursing homes or no additional services provided to their residents. (See [OIG Report A-10-00-00011](#) and [A-05-00-00056](#).) The OIG will examine the flow and utilization of funds in this program. Providers may be interested in how the findings (expected next year) may impact the supplemental payment program in terms of recent state efforts to move to managed care and other value-based Medicaid payment systems.

The OAS also plans to review select grantees of Head Start program grant funds. Grantees are assessed by the Administration for Children and Families (ACF) and must "recompete" for funding renewal if the ACF has determined their program services do not meet certain quality standards designed to promote school readiness in children from low-income families. Because prior OIG reviews found the ACF reselected many of these grantees when they faced no other applicants in the recompetition process, the OAS will review a select

number of these sole applicant grantees to determine their compliance with grant program requirements for health, safety, and financial management.

The OIG is also reviewing the sufficiency of systematic controls within HHS and all its divisions for restrictions on the use of personal email accounts to conduct official government business and to ensure appropriate email preservation in accordance with federal laws and regulations. This review was prompted by a congressional request to HHS regarding personal email usage.

Finally, the OAS will review whether assistance payments to refugees made pursuant to federal refugee cash and medical assistance grants to states were appropriately made in accordance with federal guidelines. In 2015, the HHS Office of Refugee Resettlement issued \$286 million in grants to states for the Refugee Resettlement Program (RRP). The RRP reimburses states for costs incurred when aiding refugees for a limited number of months and only after refugees have failed to qualify for benefits under other existing state and federal assistance programs. The OIG's review will determine if states followed eligibility requirements for resettlement and economic assistance.

Announced	Agency	Title	Component	Report Number(s)
April 2018	Centers for Medicare & Medicaid Services	Ensuring Dual-Eligible Beneficiaries' Access to Drugs Under Part D: Mandatory Review	Office of Evaluation and Inspections	OEI-05-18-00240
April 2018	Administration for Children and Families	Review of Sole Incumbent Grantees' Compliance with Head Start Program Requirements	Office of Audit Services	W-00-18-20017
April 2018	Office of the Assistant Secretary for Administration	HHS Email Policies and Practices	Office of Audit Services	W-00-18-42020; A-18-18-11050
April 2018	Centers for Medicare & Medicaid Services	Medicaid Nursing Home Supplemental Payments	Office of Audit Services	W-00-18-31530
April 2018	Centers for Medicare & Medicaid Services	CMS Medicare Overpayment Recoveries Related to Recommendations in OIG Audit Reports	Office of Audit Services	W-00-18-35807
April 2018	Administration for Children and	Review of Refugee Cash and	Office of Audit	W-00-18-20018; A-04-18-02010;

	Families	Medical Assistance Payments	Services	A-04-18-02011
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