



HAWAII HEALTH SYSTEMS
C O R P O R A T I O N

"Touching Lives Every Day"

COMPLIANCE ALERT 10-33

OIG Testifies on Strengthened Efforts to Address Fraud, Waste, and Abuse

Lewis Morris, Chief Counsel to the Inspector General for HHS, testified in front of the House Committee on Ways and Means, Subcommittees on Health and Oversight, on June 15, 2010. In his prepared remarks, Morris reinforced the OIG's strategy for strengthening the integrity of the health care system and how the Affordable Care Act (ACA) significantly bolsters that effort.

The OIG's comprehensive strategy for prevention, detection, and enforcement includes five key principles:

- **Enrollment:** Scrutinize providers and supplies in the program.
- **Payment:** Establish payment methodologies that are reasonable and responsive.
- **Compliance:** Assist health care professionals and supplies in adopting practices that promote compliance.
- **Oversight:** Vigilantly monitor the programs for evidence of fraud, waste, and abuse.
- **Response:** Respond quickly to detected fraud, impose sufficient punishment to deter, and promptly remedy program vulnerabilities.

Morris then elaborated on specific aspects of the Patient Protection and Affordable Care Act (the Affordable Care Act or ACA) that affirm and strengthen the OIG's efforts. Importantly, the ACA:

- Authorizes the Secretary to require the adoption of a compliance program as a condition for participation. These compliance programs will follow the guidelines established by the OIG.
- Requires skilled nursing facilities to implement compliance and ethics programs.
- Increases transparency and reporting requirements.
- Requires all manufacturers of drug, device, biologics, and medical supplies covered by CMS programs to report information (then posted on a public web site) related to payments to physicians and teaching hospitals.

- Skilled nursing facilities and nursing facilities will be required to report ownership and control relationships.
- Medicare and Medicaid Integrity Contractors are required to provide performance statistics including number and amount of overpayments, number of fraud referrals, and return on investment to the Inspector General and HHS Secretary.
- Authorizes HHS Secretary to suspend payments immediately in cases of suspected fraud based on credible evidence.

Finally, Morris testified that increased approaches, systems, and efforts to review and access data will continue. Medicare Strike Forces (a joint OIG-DOJ effort) will continue. Morris reiterated that from 2006-2008, there has been a 4:1 return on investment from compliance efforts. Consequently, we can expect continued scrutiny and direction for compliance efforts from the OIG, CMS, and HHS.