

CLIENT ALERT

HHS OIG Audit Report on Institutional Status of Medicare + Choice Enrollees

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The HHS Office of Inspector General has released an April 11, 2003 audit report on Medicare + Choice plan institutional status classifications of Medicare + Choice enrollees. Institutional status results in a higher monthly capitation to the plan. The OIG report faults the audited plan for assigning institutional status to patients who were in Medicare certified facilities, but not occupying a bed in a distinct Medicare certified portion of the facility. The OIG audit report rejects Coventry's argument that CMS instructions and the applicable CMS policy letter require only that the beneficiary reside in a certified facility, and not that the bed itself be in beds that the facility has allocated or identified as within a certified portion of the facility. The OIG auditors' position appears contrary to informal guidance previously provided by CMS to health plans. Here is a link to the audit report. <http://oig.hhs.gov/oas/reports/region7/70200148.htm>

For more information, please contact the professional(s) listed below, or your regular Crowell & Moring contact.