

## Report in Brief

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U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES  
**OFFICE OF INSPECTOR GENERAL**



### Why OIG Did This Review

Provider-preventable conditions (PPCs) are certain reasonably preventable conditions caused by medical accidents or errors in a health care setting. Federal regulations effective July 1, 2011, prohibit Medicaid payments for services related to PPCs. The Centers for Medicare & Medicaid Services (CMS) delayed its enforcement of the regulations until July 1, 2012, to allow States time to develop and implement new payment policies. We conducted this review to determine whether Nevada complied with these regulations for inpatient hospital services. This review is one in a series of OIG reviews of States' Medicaid payments for inpatient hospital services related to PPCs.

Our objective was to determine whether Nevada complied with Federal and State requirements prohibiting Medicaid payments for inpatient hospital services related to treating certain PPCs.

### How OIG Did This Review

We reviewed the Medicaid paid claim data for inpatient hospital services from July 1, 2012, through June 30, 2014 (audit period), and attempted to identify claims that contained PPCs that were not present on admission. During our fieldwork, we determined that Nevada's paid claim data could not be used because it did not always match the data reported on the actual claims.

## Nevada Did Not Comply With Federal and State Requirements Prohibiting Medicaid Payments for Inpatient Hospital Services Related to Provider-Preventable Conditions

### What OIG Found

Although Federal regulations and the Nevada State plan require Nevada to prohibit, for inpatient hospital services, payment for PPCs that are not present on admission, Nevada's policies and procedures were not adequate to properly identify PPCs on claims for inpatient hospital services or determine whether payments for claims containing PPCs should have been reduced. As a result, Nevada may have claimed Federal Medicaid reimbursement for inpatient hospital services related to treating certain PPCs.

We attempted to identify claims that contained a PPC and could have been subject to a payment reduction. However, Nevada's paid claim data could not be used to determine whether Nevada claimed Federal Medicaid reimbursement for inpatient hospital services related to treating certain PPCs. As a result, we were not able to determine how many claims contained a PPC or should have had a payment reduction.

### What OIG Recommends and Nevada Comments

We recommend that Nevada (1) strengthen its policies and procedures to ensure that it reviews inpatient hospital claims for all Medicare hospital-acquired conditions (i.e., PPCs) identified by CMS and performs retrospective reviews of billing data from all inpatient hospitals to identify PPCs and (2) review retrospective review reports for our audit period and after our audit period to determine whether payments should be reduced for any claims that contain PPCs and refund to the Federal Government its share of any unallowable amounts.

Nevada concurred with our recommendations and provided information on actions that it had taken or planned to take to address our recommendations.