

# Report on Medicare Compliance Volume 32, Number 37. October 16, 2023

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- ◆ **The Drug Enforcement Administration (DEA) on Oct. 10 announced another temporary extension of its waiver of the requirement that patients have one in-person visit with physicians before they prescribe controlled substances by telehealth. This second extension will last through Dec. 31, 2024.<sup>[1]</sup>**
- ◆ **In a new report, the HHS Office of Inspector General (OIG) said expanding the post-acute care transfer (PACT) payment policy to all MS-DRGs would save Medicare heaps of money.<sup>[2]</sup>** Under the PACT payment policy, acute-care hospital patients who receive post-acute care after discharge are considered transfers. Medicare pays hospitals per diems for these patients instead of MS-DRGs up to the full amount of the MS-DRG—although the PACT policy only applies to 280 MS-DRGs. Hospitals may be overpaid if they report patients as discharges when they're considered transfers to post-acute care. OIG audited a stratified random sample of 100 inpatient claims for Medicare enrollees who were discharged early to PAC from 2017 through 2019. The findings: 99 of the claims could have had transfer payments with a reduced per diem rate. That would have saved Medicare \$1,033,520, an amount representing the delta between the amount Medicare paid under the current policy and the amount it would have paid if the MS-DRGs associated with the claims were subject to the PACT policy. “On the basis of our sample results, we estimated that Medicare could have saved approximately \$694 million, or an average of \$6,407 per claim, from 2017 through 2019 if it had expanded its hospital transfer policy to include all MS-DRGs,” the report stated. OIG recommended that CMS analyze its PACT policy and revise it as necessary. In response, “CMS did not explicitly state whether it concurred with our recommendation but stated that it will examine the data when they are available, relative to the current list of MS-DRGs that are subject to the hospital transfer payment policy, to potentially assist in the identification of additional MS-DRGs (with disproportionate rates of discharges to PAC) for future rulemaking.”

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