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DOJ OIG Releases Procedural Reform Recommendation for the Federal Bureau of Prisons Concerning Electronic Healthcare Claims Data

Department of Justice Inspector General Michael E. Horowitz announced today the release of a Procedural Reform Recommendation (PRR) for the Federal Bureau of Prisons (BOP). The Department of Justice Office of the Inspector General (OIG) releases PRRs when, through its investigative work, it identifies a systemic weakness in Justice Department operations, programs, policies, procedures, or practices, and has a recommendation to address the identified problem.

Today’s PRR arose out of the OIG learning through the efforts of its Office of Data Analytics and investigative activity that the BOP has incomplete and inadequate healthcare claims data in electronic format, and that its claims adjudication vendor has not provided all contractually required services, including fraud monitoring. Incomplete claims data and ineffective analysis of that data significantly increases the BOP’s fraud risks, and it diminishes both the BOP’s and the OIG’s ability to detect past and present fraud schemes.

The OIG has therefore recommended that BOP move immediately to require private companies and hospitals providing healthcare services to inmates under the BOP’s Comprehensive Medical Services contracts to submit electronic claims, ensure those claims are properly analyzed and maintained by BOP’s adjudication vendor, and enforce existing contract language that requires the adjudication vendor to perform fraud analytics and report any indicators of fraud to the BOP. The BOP should also ensure that the adjudication vendor is able to reproduce on demand all necessary data elements used to adjudicate the claims, such as procedure codes and drug information. The electronic claims data should be available to BOP on a national scale in a format that allows for thorough analysis and oversight.

The OIG believes that improved aggregation of healthcare claims data will facilitate better oversight of BOP’s health care contracts. Moreover, based on the information that we have reviewed to date, we believe that taking the recommended actions will provide the BOP with substantial cost and time savings by eliminating duplicative, unnecessary, and fraudulent claims and other types of improper payments.

Today’s PRR is available under “Recent Reports” the OIG’s website and at the following link: https://oig.justice.gov/reports/2017/i16008873.pdf.

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