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Page 1 of 1

FEDERAL AGENCY ACTIONS

OIG Issues Draft Compliance Program Guidance for Medicare+Choice Organizations. On June 10, 1999, the OIG unveiled draft guidelines that address specific issues applicable to Medicare+Choice coordinated care plans, including marketing, enrollment and disenrollment practices, underutilization and quality of care and patient dumping. Although Medicare+Choice plans are required to establish a compliance program, the OIG's guidelines are voluntary. The final version will be published in the Federal Register following a thirty (30) day comment period.

Only 22% of Medicare MCO's are Y2K Compliant. In a report released May 27, 1999, the OIG said that just 22% of managed care organizations serving Medicare beneficiaries claimed to be Y2K compliant. Less than half of that group had actually tested their computer systems to make sure they will work after December 31st. The remaining 78% said that most or all of their systems will be ready by the end of the year. A follow up report in June 1999 found few differences between urban and rural plans on most Y2K issues. HCFA administrator Nancy-Ann DeParle called the findings "troubling."

OIG Reports on States' Efforts at Detecting Fraud and Abuse in Medicaid Managed Care Programs. The OIG studied ten States operating under Section 1115 waivers and found only two, Arizona and Tennessee, had active programs which resulted in case detection and referral of fraud and abuse in the Medicaid Managed Care arena. Those two States accounted for 97% (490 out of 504) of managed care case referrals, and produced recoveries of over \$4.3 million in a twelve month period. The Report recommends that HCFA establish guidelines for States and MCO's to follow in developing and carrying out proactive fraud and abuse

PENNSYLVANIA COURTS

detection and referral activities.

Pennsylvania Psychiatric Society sues Behavioral Health MCOs. In a lawsuit filed in the Allegheny County Court of Common Pleas, the Pennsylvania Psychiatric Society alleges that Greenspring Health Services, Inc. and three affiliated Blue Cross plans illegally limited patients' access to mental health services through a burdensome approval process, overly aggressive utilization procedures and practices which discouraged mental health

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