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MEMORANDUM

TO: Reporters and Editors
FR: Jill Kozeny, 202/224-1308
for Sen. Chuck Grassley
RE: HHS Inspector General Report
Medical Record Reviews by Quality Improvement Organizations
DA: Friday, June 8, 2007

Sen. Chuck Grassley, Ranking Member of the Committee on Finance, issued the comment below about a new report issued today by the Inspector General for the Department of Health and Human Services titled *Quality Concerns Identified Through Quality Improvement Organization Medical Record Reviews (OEI-01-06-00170)*. Sen. Grassley requested this analysis last December.

This evaluation by the Inspector General examines the Quality Improvement Organizations' (QIOs) role in protecting Medicare beneficiaries from poor quality of care. According to the Inspector General's office, the report determines the extent to which QIOs identify quality-of-care concerns through medical record reviews and what interventions QIOs take in response to confirmed concerns. The Centers for Medicare and Medicaid Services contracts with QIOs to oversee and enhance the quality of care within Medicare and to protect over 40 million Medicare beneficiaries. QIOs have a statutory and contractual obligation to review medical records to ensure that care meets professional standards.

In its new report, the Inspector General's office said it found that QIOs selected 318,018 cases for payment, utilization, noncoverage and quality-of-care reviews between February 1, 2003, and January 31, 2006. QIOs completed full quality-of-care reviews on 34,768 of these cases, and confirmed one or more quality concerns in 6,439, or 19 percent, of them. QIOs assigned the two least serious classifications to more than 80 percent of the cases with a confirmed quality concern. QIOs recommended one or more corrective actions in 4,645 cases, or 72 percent, with a confirmed quality concern. QIOs imposed no corrective actions in 1,794 cases, or 28 percent, with a confirmed quality concern. In 70 percent of the cases with corrective actions, QIOs recommended the least severe corrective action available. The Inspector General's report today said this raises questions about the effectiveness of the QIO case reviews. The report concludes that it's essential that QIOs meet their statutory and contractual responsibility to review care provided to Medicare beneficiaries and the case review function

warrants continued attention.

Sen. Grassley's comment:

“These findings are yet another indication that the QIO program needs a major overhaul. There was no corrective action by QIOs in 28 percent of cases where a quality concern was confirmed. In the rest of the confirmed cases, the lightest possible corrective actions were recommended 70 percent of the time. A major purpose of the QIOs is to review the care provided to Medicare beneficiaries and recommend corrective actions to improve poor quality care. Instead, we're getting a soft approach that too often accepts poor quality or turns a blind eye. This approach doesn't get the job done for either taxpayers or Medicare beneficiaries.”