

## How to Properly Select an Independent Review Organization

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### Overview

The Department of Health and Human Services Office of Inspector General (OIG) utilizes many enforcement tools to promote compliance with federal health care rules and regulations. One of these tools is a Corporate Integrity Agreement (CIA), in which a provider or entity consents to certain obligations as part of a settlement in exchange for the OIG's agreement not to exclude the provider or entity from participating in Medicare, Medicaid and other federal health care programs.

A typical CIA lasts five years, and many are the result of a settlement of a civil false claims case with the Department of Justice. CIAs normally include requirements for various types of reviews to be conducted by an independent review organization (IRO) in order to ensure compliance with case-specific incidents. IROs typically include health care consultants, certified public accountant firms and/or law firms.

### Selecting an IRO

Although the OIG issues CIAs that mandate the involvement of an IRO, the OIG does not select the IRO, provide advice on how to select one, or endorse any organizations to be the IRO. This means that the organization entering into the CIA is responsible for finding and contracting with a qualified, experienced IRO. However, once the organization selects the IRO, the OIG may deny the selection within 30 days of receiving written notice of what organization will be fulfilling the IRO position.

Selecting the right IRO that has expertise in the requirements of the organization's CIA is critical for the organization's future operations. If the OIG finds any problems with the IRO, it could lead to additional complications in the negotiations to avoid federal exclusion. As such, organizations should select a firm that has a strong and credible IRO record, has industry expertise, is free of any conflicts of interest and assigns experienced professional staff to carry out the IRO requirements set forth in the CIA.

The following are eight tips to identify an IRO that best meets an organization's specific needs:

1. Establish the potential IRO firm's experience in the organization's particular health care sector to ensure that the IRO's knowledge and understanding of the organization's operations in that sector are aligned.

2. Ensure qualifications for and expertise in the specific areas that fall within the scope of work under the CIA. If the IRO does not have the right program expertise, it can lead to extra costs and may cause problems in meeting CIA obligations or creating credibility with the OIG.
3. Review the IRO's past experience to determine if it can effectively report and communicate with both the organization and the OIG. Organizations should find an IRO that has served in that capacity three or more times.
4. Seek references where the IRO has served in the past to learn whether the IRO performed its work professionally, competently, reasonably, and without charging unreasonably over its estimate.
5. Require the IRO to specifically identify key personnel assigned to the engagement, along with their personal qualifications, to avoid a situation wherein the people negotiating the engagement are quickly switched to less qualified individuals who will actually be performing the work.
6. Require the IRO to attest to not having any conflicts of interest with the organization. The IRO cannot be involved in reviewing any work that it previously had a role in developing and must not have its IRO-related work conflict with any previous work it has conducted with the organization.
7. Ensure that the IRO meets the Government Accountability Office Generally Accepted Government Audit Standards for operational reviews.
8. Remain aware that fee rates and charges can range considerably based on different IRO's experience, professionalism and industry knowledge.

## **In Review**

While entering into a CIA is not unusual in the health care industry, organizations need to take specific precautions in selecting an IRO to conduct the required reviews. The IRO should have the right kind of experience and expertise to accurately interpret and conduct reviews to ensure the organization meets its CIA obligations and can effectively avoid federal exclusions. By following standard tips for selecting an IRO, organizations can re-establish their credibility with the OIG and successfully carry out the CIA.

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## **About the Author**

Richard P. Kusserow is currently the President and CEO of Compliance Resource Center. He served as the Inspector General of HHS for 11 years and brings decades of valuable experience from the government sector to Compliance Resource Center. Mr. Kusserow's expertise on compliance policy and regulation as well as his extensive knowledge of compliance solutions enables Compliance Resource Center to effectively help health care organizations best manage their compliance programs.

## **About Compliance Resource Center**

Compliance Resource Center has been leading the compliance industry since 2010 with our complete suite of solutions that are geared towards improving compliance program operations. Our solutions ensure that organizations regularly meet federal and state laws and supply the necessary resources to sustain long-term compliance.