

CASE STUDY:

The Importance of Reviewing the Open Payment™ Database

Completing this review can protect against enforcement actions.



BACKGROUND

Each year, the CMS Open Payments process collects and publishes information about financial relationships between drug and medical device companies and certain health care providers like physicians. The database is open to anyone, free of charge. Compliance officers should review this data annually to ensure all payments are being reported correctly and that there are no unreported Conflicts of Interest (COI) or payments that may implicate Stark or Anti-Kickback Statutes.



SUMMARY

LW Consulting, Inc. (LWCI) completed an audit to review the Open Payments Database for a large private practice group. LWCI ran 143 physicians through the database and compiled all of the reported payment data for the client to review. This client did not complete this review in previous years, so this audit included a review of all 5 years of data that are housed in the database.



CRITICAL FINDINGS

Out of the 143 physicians, 69.9% (100 physicians) had reported payments in the Open Payments Database. The categories of payments included food and beverage; consulting fees; education; and travel and lodging. The database also includes any reporting for research payments. If any of the physicians had research payments reported in the database, this information was added to the compiled report. Out of the 100 physicians that had payments reported in the database, there were 13 that had discrepancies in their data. In some cases, this was a result of the breakdown of company payments not matching the total payment amount listed for that company for the individual. For others, it was the breakdown of the “Nature of Payments” listed or the total payment amount for each type of payment doesn’t match the total amount shown for each company. In addition to the physicians that had payments reported, 30 physicians were identified as needing further review from the client to rule out the possibility of that physician having an additional NPI number.

RECOMMENDATIONS

LWCI recommends having a process in place to complete this review as it is an important part of compliance programs. This review is a best practice to help demonstrate ethical transparency and protect against enforcement actions that can come with significant financial penalties.

Compliance should review each company, the year the payments were made, the payment amounts, and “Nature of Payments” for any conflicts of interest or errors. Are there any payments labeled incorrectly or appear suspicious? Additionally, review the calculations of the “Number of Payments” by “Nature of Payment,” the total payment amount for each “Company Making Payments” and the total of all payments. Compare these to the breakdown of payments listed under the company for that organization.

Note: CMS does not comment on what relationships may be potential conflicts of interest.

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About LW Consulting, Inc.

LW Consulting, Inc. is a recognized leader in providing reimbursement, operational, and clinical consulting solutions across the full continuum of healthcare delivery.

We are an Independent Review Organization performing audits under CIAs and an expert resource to providers, attorneys, and government agencies in ensuring organizations meet the myriad of guidelines, requirements, and statutes that regulate the delivery of healthcare services.