FAVORABLE

OIG WATCH

13-10

Per-patient post-discharge support + tech platform to reduce readmissions

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What OIG Said

OIG said this readmissions-support model can work if the hospital pays fair market value, set-in-advance fees that aren't linked to referrals, prescribing, or drug volume.

- ✓ OIG reviewed a pharma-affiliated vendor selling hospitals a "menu" of post-discharge services (patient liaisons, nurse hotline support, medication adherence reminders, and a shared limited EHR) aimed at reducing HRRP readmissions.

- ✓ OIG acknowledged the hospital's payments to the vendor are remuneration and could raise AKS/CMP risk if priced below/above FMV or used to steer care, so the economic structure mattered.

- ✓ OIG was comfortable because the Initial Fee (flat implementation) and Annual Fee (per-patient) were set in advance, certified FMV, and confirmed by independent third-party assessment; discounts had to stay within FMV range.

- ✓ Critical safeguard: availability and pricing were not tied to formulary decisions, prescribing patterns, or drug purchases, and vendor staff were walled off from pharma sales incentives. That broke any "pay for product push" inference.

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Diligence Checklist

What you need to be ready to show in diligence

- ✓ Have a reputable third-party FMV opinion covering all fee streams: implementation/initial fee, per-patient annual fee, and any add-on hourly “additional fees.
- ✓ Show fees are set in advance, in a written agreement with a 1+ year term, and cover a defined scope/menu of services, no side deals.
- ✓ Prove the vendor’s compensation is not contingent on referrals, patient choice, formulary placement, or prescribing volume.
- ✓ Document commercial need: why these services are necessary to reduce preventable readmissions and how the hospital selects patients independently.
- ✓ If you use per-patient fees, show the hospital pays more as enrollment rises (not the vendor paying the hospital), so it doesn’t read like buying volume.

If you can’t show FMV support, set-in-advance pricing, and independence from referral or drug-volume incentives, this is exactly the profile diligence and regulators will pressure-test.

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Structure not diligence-ready?

Cabra Consulting helps healthcare organizations make sure compensation and transaction structures are independently valued, clearly scoped, and defensible in diligence.

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