FAVORABLE

OIG WATCH

18-11

Incentive payments for increasing EPSDT screenings in a Medicaid MCO

CABRA CONSULTING

What OIG Said

OIG said this type of volume-based incentive can be okay, but only if it's not tied to referrals and all costs are fully borne by the MCO.

- ✓ OIG reviewed a Medicaid managed care plan that wanted to pay per-member incentives to providers who increased EPSDT services year-over-year.
- ✓ OIG said this is remuneration, and therefore implicates Anti-Kickback, but allowed it because the MCO took on full financial risk and payments were capped, set in advance, and not linked to referrals.
- ✓ The incentive payments only applied to existing enrollees, which helped show it wasn’t a recruitment or steerage scheme.
- ✓ The MCO certified that these payments would not affect future capitation rates and that no additional cost would be passed through to Medicaid or other Federal programs.

CABRA CONSULTING

Diligence Checklist

What you need to be ready to show in diligence

- ✓ Show a written agreement defining the scope of incentive payments, with a 1-year minimum term and no claims to other Federal programs.
- ✓ Prove payments are strictly for existing enrollees, not used to drive recruitment or steerage.
- ✓ Demonstrate that all costs tied to the incentives are fully borne by the risk-bearing entity and not passed on to Medicaid or other programs.
- ✓ Confirm that incentives are not tied to referral volume or collections, but to clinical benchmarks tied to care delivery.

If you can't prove commercial reasonableness, isolation from referrals, and clear scope, incentive payments can read like volume-buying and raise Anti-Kickback concerns.

CABRA CONSULTING

Structure not diligence-ready?

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

CABRA CONSULTING