2015 National Training Program

Module 10

Medicare and Medicaid Fraud and Abuse Prevention
Session Objectives

This session should help you

- Define fraud and abuse
- Identify causes of improper payments
- Discuss how CMS fights fraud and abuse
- Explain how you can fight fraud and abuse
- Recognize sources of additional information
Lesson 1—Fraud and Abuse Overview

- Definition of fraud and abuse
- Protecting the Medicare Trust Funds and other public resources
- Examples of Medicare and Medicaid fraud
- Who commits fraud?
- Causes of improper payments
- Quality of care concerns
Definition of Fraud and Abuse

**Fraud**
When someone intentionally executes or attempts to execute a scheme to obtain money or property of any health care benefit program

**Abuse**
When health care providers or suppliers perform actions that directly or indirectly result in unnecessary costs to any health care benefit program

The primary difference between fraud and abuse is intention.
Protecting Taxpayer Dollars

- CMS must
  - Protect Medicare Trust Funds
    - Medicare Hospital Insurance (Part A) Trust Fund
    - Supplementary Medical Insurance (Part B) Trust Fund
  - Protect the public resources that fund the Medicaid programs
  - Manage the careful balance between
    - Paying claims quickly and limiting burden on the provider community with conducting reviews that prevent and detect fraud
Examples of Fraud

- Medicare or Medicaid is billed for
  - Services you never received
  - Equipment you never got or was returned
- Documents are altered to gain a higher payment
- Misrepresentation of dates, descriptions of furnished services, or the identity of the beneficiary
- Someone uses your Medicare or Medicaid card with or without your permission
- A company uses false information to mislead you into joining a Medicare plan

For recent examples of fraud by region visit, medic-outreach.rainmakerssolutions.com/fraud-in-the-news/.
Consequences of Sharing a Medicaid Card or Number

- Medicaid-specific lock-in program
  - Limits you to certain doctors/drug stores/hospitals
    - For activities like ER visits for non-emergency care and using multiple doctors that duplicate treatment/medication
- Your medical records could be wrong
- You may have to pay money back or be fined
- You could be arrested
- You might lose your Medicaid benefits
Who Commits Fraud?

• Most individuals and organizations that work with Medicare and Medicaid are honest
• However, anyone can commit fraud
  • Doctors and health care practitioners
  • Suppliers of durable medical equipment
  • Employees of doctors or suppliers
  • Employees of companies that manage Medicare billing
  • People with Medicare and Medicaid
Improper Payment Transparency

**MEDICARE FY 2014**
Error rate is 12.7 percent or $45.8 billion

**MEDICAID FY 2014**
Error rate is 6.7 percent or $17.5 billion

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**Historical Improper Payment Rates for Medicare Fee-for-Service**

- 2005: 5.2%
- 2006: 4.4%
- 2007: 3.9%
- 2008: 3.6%
- 2009: 10.8%
- 2010: 9.1%
- 2011: 8.6%
- 2012: 8.5%
- 2013: 10.15%
- 2014: 12.7%

**Historical Improper Payment Rates for Medicaid**

- 2008: 10.5%
- 2009: 9.6%
- 2010: 9.4%
- 2011: 8.1%
- 2012: 7.1%
- 2013: 5.8%
- 2014: 6.7%

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October 2015
Medicare and Medicaid Fraud and Abuse Prevention
Causes of Improper Payments

- Not all improper payments are fraud, but all payments made due to fraud schemes are improper.

- CMS is targeting all causes of improper payments:
  - From honest mistakes to intentional deception.
  - Most common error is insufficient documentation.

Diagram:

- Errors
- Waste
- Abuse
- Fraud

- Mistakes
- Inefficiencies
- Bending the Rules
- Intentional Deception
Preventing Fraud in Medicare Parts C and D

- Plan agents and brokers must follow CMS’s Marketing Guidelines. Examples of what plans can’t do include
  - Send you unwanted emails
  - Come to your home uninvited to get you to join
  - Call you unless you're already a member
  - Offer you cash to join their plan
  - Give you free meals while trying to sell you a plan
  - Talk to you about their plan in areas where you get health care

- If you think a Medicare plan broke the rules
  - Call 1-800-MEDICARE (1-800-633-4227)
  - TTY users should call 1-877-486-2048
Telemarketing and Fraud—Durable Medical Equipment (DME)

- DME telemarketing rules
  - DME suppliers can’t make unsolicited sales calls

- Potential DME scams
  - Calls or visits from people saying they represent Medicare
  - Telephone or door-to-door selling techniques
  - Equipment or service is offered free and you’re then asked for your Medicare number for “record keeping purposes”
  - You’re told that Medicare will pay for the item or service if you provide your Medicare number
Quality of Care Concerns

- Patient quality of care concerns aren’t necessarily fraud
  - Medication errors
  - Change in condition not treated
  - Discharged from the hospital too soon
  - Incomplete discharge instructions and/or arrangements

- Contact your Beneficiary and Family-Centered Care Quality Improvement Organization
  - Visit Medicare.gov/contacts and click on Find Helpful Contacts
  - Call 1-800-MEDICARE (1-800-633-4227)
  - TTY users should call 1-877-486-2048
Those who commit Medicare fraud can include

a. People with Medicare
b. Suppliers of durable medical equipment
c. Doctors and health care practitioners
d. All of the above
Check Your Knowledge—Question 2

It’s considered fraud if someone else uses your Medicare card with your permission

a. True  
b. False
Lesson 2—CMS Fraud and Abuse Strategies

- The Center for Program Integrity
- CMS Program Integrity Contractors
- CMS Administrative Actions
- Law Enforcement Actions
- The Health Care Fraud Prevention Partnership
- Health Care Fraud Prevention and Enforcement Action (HEAT) Team
- The Fraud Prevention Toolkit at CMS.gov/Medicare-Medicaid-Coordination/Fraud-Prevention/Medicaid-Integrity-Education/fwa.html
- Provider and Beneficiary Education
CMS Center for Program Integrity

- Consolidates CMS anti-fraud components
- Authorities from the Affordable Care Act
  - More rigorous screenings for health care providers
  - Reciprocal termination of providers from Medicare, Medicaid, and the Children’s Health Insurance Program
  - May temporarily stop enrollment in high-risk areas
    - Used first in July 2013 and extended into 2015
  - Temporarily stop payments in cases of suspected fraud
CMS Program Integrity Contractors

- A nationally coordinated Medicare/Medicaid program integrity strategy that cuts across regions
  - Zone Program Integrity Contractors (ZPIC)
  - National Benefit Integrity Medicare Drug Integrity Contractor (NBI MEDIC)
  - Recovery Audit Program
  - Outreach & Education MEDIC (O&E MEDIC)
  - Medicaid Integrity Contractors
Zone Program Integrity Contractors (ZPICs)

- Investigate leads generated by the new Fraud Prevention System (FPS) and a variety of other sources
- Provide feedback to CMS to improve the FPS
- Perform data analysis to identify and investigate cases of suspected fraud, waste, and abuse
- Make recommendations to CMS for appropriate administrative actions to protect Medicare Trust Fund dollars
- Make referrals to law enforcement for potential prosecution
- Provide support for ongoing law enforcement investigations
- Identify improper payments to be recovered by Medicare Administrative Contractors
National Benefit Integrity Medicare Drug Integrity Contractor (NBI MEDIC)

- Monitors fraud, waste, and abuse in the Part C and Part D programs in all 50 states, the District of Columbia, and U.S. Territories
- Works with law enforcement and other stakeholders
- Key responsibilities include
  - Investigate potential fraud, waste, and abuse
  - Receive complaints
  - Resolve beneficiary fraud complaints
  - Perform proactive data analyses
  - Identify program vulnerabilities
  - Refer potential fraud cases to law enforcement agencies
- The Outreach and Education MEDIC provides tools to combat Part C and Part D fraud, waste and abuse
Recovery Audit Program

- Recovery Audit Program’s mission
  - Reduce improper Medicare payments by
    - Detecting and collecting overpayments
    - Identifying underpayments
    - Implementing actions to prevent future improper payments
  - Ensure that each Medicare Advantage Plan under Part C and Prescription Drug Plan under Part D has an anti-fraud plan in effect

- States and territories establish Medicaid Recovery Audit Contractors
  - Identify overpayments and underpayments
  - Coordinate efforts with federal and state auditors
Outreach & Education MEDIC (O&E MEDIC)

- Created the CMS O&E MEDIC website on behalf of the CMS Center for Program Integrity
  - To help those committed to stopping Parts C/D fraud, waste, and abuse, by providing
    - Outreach and education materials
    - Professional education
    - Regulation and guidance
    - Fraud - fighting resources
    - General news
Medicaid Integrity Contractors (MICs)

- Support, not replace, state Medicaid program integrity efforts
- Conduct post-payment audits of Medicaid providers
- Identify overpayments, and refer to the state for collection of the overpayments
- Doesn’t adjudicate appeals, but supports state adjudication process
- Three types of MICs: review, audit, and education
When CMS suspects fraud, administrative actions include the following:

- Automatic denials of payment
- Payment suspensions
- Prepayment edits
- Civil monetary penalties
- Revocation of billing privileges
- Referral to law enforcement
- Overpayment determinations
Law Enforcement Actions

- When law enforcement finds fraudulent activities, enforcement actions include
  - Providers/companies are barred from the programs
  - Providers/companies can’t bill Medicare, Medicaid, or Children’s Health Insurance Plan (CHIP)
  - Providers/companies are fined
  - Arrests and convictions occur
  - Corporate Integrity Agreements may be negotiated
Health Care Fraud Prevention Partnership

- Includes the federal government, state officials, private health insurance organizations, and other health care anti-fraud groups
  - Shares information and best practices
  - Improves detection
  - Prevents payment of fraudulent health care billings across public and private payers
  - Enables the exchange of data and information among the partners
Health Care Fraud Prevention and Enforcement Action (HEAT) Team

- Joint initiative between U.S. Department of Health & Human Services and U.S. Department of Justice
- Improve interagency collaboration on reducing and preventing fraud in federal health care programs
- Increase coordination, data sharing, and training among investigators, agents, prosecutors, analysts, and policymakers
Medicare Fraud Strike Force Teams

- Medicare Fraud Strike Force Teams
  - Located in fraud “hot spot” locations
  - Use advanced data analysis to identify high-billing levels in health care fraud hot spots
  - Coordinate national takedowns

- CMS supports Strike Force takedowns
  - Perform data analysis
  - Suspends payment
Fraud Prevention Toolkit

- Visit CMS.gov to access the Fraud Prevention Toolkit that includes
  - The 4Rs brochure
  - Fact sheets on preventing and detecting fraud
  - Frequently Asked Questions

- CMS.gov also has information about the Center for Program Integrity and fraud prevention efforts in Medicare fee-for-service, Parts C and D, and Medicaid
Provider and Beneficiary Education

- Provider education helps correct vulnerabilities
  - Maintain proper documentation
  - Reduce inappropriate claims submission
  - Protect patient and provider identity information
  - Establish a broader culture of compliance

- Beneficiary education helps identify and report suspected fraud
Check Your Knowledge—Question 3

When CMS detects fraud, administrative actions may include the following:

a. Civil monetary penalties  
b. Revocation of billing privileges  
c. Referral to law enforcement  
d. All of the above
Lesson 3—How You Can Fight Fraud

- 4Rs for Fighting Medicare Fraud
- stopmedicarefraud.gov
- Medicare Summary Notices
- MyMedicare.gov
- 1-800-MEDICARE
- Senior Medicare Patrol
- Protecting Personal Information and ID Theft
- Reporting Medicaid Fraud
- Helpful Resources
4Rs for Fighting Medicare Fraud

- You’re the first line of defense against Medicare fraud and abuse. Here are some ways you can protect yourself from fraud:
  1. **Record** appointments and services
  2. **Review** services provided
     - Compare services actually received with services on your Medicare Summary Notice
  3. **Report** suspected Fraud
  4. **Remember** to protect personal information, such as your Medicare card and bank account numbers
STOPMedicareFraud.gov

- Learn about fraud
- Find resources
- Report fraud online
- Access videos
- See recent Health Care Fraud Prevention and Enforcement Action Team HEAT Task Force results by state
Medicare Summary Notice (MSN)

- CMS redesigned the MSN for Part A and Part B to make it easier to read and spot fraud
- Shows all your services or supplies
  - Billed to Medicare in 3-month period
  - What Medicare paid
  - What you owe
- Read it carefully
Secure site to manage personal information
- Review eligibility, entitlement, and plan information
- Track preventive services
- Keep a prescription drug list
- Review claims “if you have Original Medicare”
  - Available almost immediately after they are processed
Beneficiary fraud complaints received
- Help target certain providers/suppliers for review
- Show where fraud scams are heating up

Using the Interactive Voice Response System
- Access up to 15 months of claims
- Check for proper dates, services, and supplies received
  - If not checking claims on MyMedicare.gov
Learning Activity

John has concerns and wants to discuss his Medicare Summary Notice with you.

What are some things that might indicate fraud?
Learning Activity
What Might Indicate Fraud?

- Was he charged for any medical services he didn’t get?
- Do the dates of services look unfamiliar?
- Was he billed for the same thing twice?
- Does his credit report show any unpaid bills for medical services or equipment you didn’t receive?
- Has he received any collection notices for medical services or equipment he didn’t receive?
Fighting Fraud Can Pay

You may get a reward if you meet all of these conditions:

- You call either 1-800-HHS-TIPS (1-800-447-8477) or call 1-800-MEDICARE (1-800-633-4227) to report suspected fraud. TTY users should call 1-877-486-2048.
- The suspected Medicare fraud you report must be investigated and validated by CMS’s contractors.
- The reported fraud must be formally referred to the Office of Inspector General for further investigation.
- You aren’t an excluded individual.
- The person or organization you're reporting isn’t already under investigation by law enforcement.
- Your report leads directly to the recovery of at least $100 of Medicare money.
The Senior Medicare Patrol

- Education and prevention program aimed at educating beneficiaries on preventing, identifying, and reporting health care fraud
- Active programs in all states, the District of Columbia, Puerto Rico, Guam, and U.S. Virgin Islands
- Seeks volunteers to represent their communities
- Nationwide toll-free number: 1-877-808-2468
Protecting Personal Information

- Only share with people you trust
  - Doctors, other health care providers, and plans approved by Medicare
  - Insurers who pay benefits on your behalf
  - Trusted people in the community who work with Medicare, like your State Health Insurance Assistance Program (SHIP) or Social Security
- Call 1-800-MEDICARE (1-800-633-4227) if you aren’t sure if a provider is approved by Medicare
  - TTY users should call 1-877-486-2048
Identity Theft

- Identity theft is a serious crime
  - Someone else uses your personal information, like your Social Security or Medicare number
- If you think someone is using your information
  - Call your local police department
  - Call the Federal Trade Commission’s ID Theft Hotline at 1-877-438-4338
- If your Medicare card is lost or stolen, report it right away
  - Call Social Security at 1-800-772-1213
  - TTY users should call 1-800-325-0778
Reporting Suspected Medicaid Fraud

- Medicaid Fraud Control Unit (MFCU) investigates and prosecutes
  - Medicaid fraud
  - Patient abuse and neglect in health care facilities
- Call the Office of the Inspector General at 1-800-447-8477 (TTY 1-800-377-4950)
  - They also certify and annually re-certify the MFCU
- State Medical Assistance (Medicaid) office
  - See state listing for Medicaid
  - Download contacts at oig.hhs.gov/fraud/Medicaid-fraud-control-units-mfcu/files/contact-directors.pdf
Key Points to Remember

✓ The key difference between fraud and abuse is intention
✓ Improper payments are often mistakes
✓ CMS fights fraud and abuse with support from Program Integrity Contractors
✓ You can fight fraud and abuse with the 4Rs: Record, Review, Report, Remember
✓ There are many sources of additional information
# Medicare Fraud & Abuse Resource Guide

## Resources

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<td>1-800-MEDICARE (1-800-633-4227) (TTY 1-877-486-2048) Medicare.gov</td>
<td>“Medicare Authorization to Disclose Personal Information” form CMS Product No. 10106</td>
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<tr>
<td>MyMedicare.gov - MyMedicare.gov/</td>
<td>“Help Prevent Fraud: Check Your Medicare Claims Early!” CMS Product No. 11491 and No. 11492</td>
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<tr>
<td>CMS Program Integrity CMS.gov/ About-CMS/Components/CPI/Center-for-program-integrity.html</td>
<td>“Protecting Medicare and You From Fraud” CMS Product No. 10111</td>
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<tr>
<td>STOPMedicarefraud.gov</td>
<td>“Quick Facts About Medicare Plans and Protecting Your Personal Information” CMS Product No. 11147</td>
</tr>
<tr>
<td>Office of Inspector General oig.hhs.gov/</td>
<td>“4Rs for Fighting Fraud” CMS Product No. 11610</td>
</tr>
<tr>
<td>U.S. Department of Health &amp; Human Services</td>
<td>“You Can Help Protect Yourself and Medicare From Fraud Committed by Dishonest Suppliers” CMS Product No. 11442</td>
</tr>
<tr>
<td>ATTN: HOTLINE (forms.oig.hhs.gov/hotlineoperations/) P.O. Box 23489, Washington, DC 10026</td>
<td>To access these products: View and order single copies: Medicare.gov/publications</td>
</tr>
<tr>
<td>HealthCare.gov</td>
<td>Order multiple copies (partners only): productordering.cms.hhs.gov (You must register your organization.)</td>
</tr>
<tr>
<td>HealthCare.gov/how-can-i-protect-myself-from-fraud-in-the-health-insurance-marketplace/</td>
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<tr>
<td>Social Security Administration SSA.gov 1-800-772-1213 TTY 1-800-325-0778</td>
<td>Medicare and Medicaid Fraud and Abuse Prevention</td>
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## Medicare Products

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<th>Senior Medicare Patrol Program</th>
<th>“Medicare Authorization to Disclose Personal Information” form CMS Product No. 10106</th>
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<tr>
<td>SMPresource.org</td>
<td>“Help Prevent Fraud: Check Your Medicare Claims Early!” CMS Product No. 11491 and No. 11492</td>
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<tr>
<td>Find the SMP resources in your state under Help - SMP locator</td>
<td>“Protecting Medicare and You From Fraud” CMS Product No. 10111</td>
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<td>Fraud Scams</td>
<td>“Quick Facts About Medicare Plans and Protecting Your Personal Information” CMS Product No. 11147</td>
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<tr>
<td>SMPResource.org/AM/Template.cfm?Section=Scams1&amp;Template=/CM/HTMLDisplay.cfm &amp;ContentID=5912</td>
<td>“4Rs for Fighting Fraud” CMS Product No. 11610</td>
</tr>
<tr>
<td>NBI Medic’s Parts C&amp;D Fraud Reporting Group</td>
<td>“You Can Help Protect Yourself and Medicare From Fraud Committed by Dishonest Suppliers” CMS Product No. 11442</td>
</tr>
<tr>
<td>1-877-7SAFERX (1-877-772-3379) healthintegrity.org/contracts/nbi-medic/reporting-a-complaint</td>
<td>To access these products: View and order single copies: Medicare.gov/publications</td>
</tr>
<tr>
<td>Fax a Complaint Form to 410-819-8698 Mail to: Health Integrity, LLC, 7102 Ambassador Road, Suite 100, Windsor Mill, MD 21244 healthintegrity.org/contracts/nbi-medic</td>
<td>Order multiple copies (partners only): productordering.cms.hhs.gov (You must register your organization.)</td>
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<tr>
<td>National Health Care Anti-Fraud Assoc. NHCAA.org</td>
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## Prevention Toolkit

| Medicaid Beneficiary Education | |
|--------------------------------| |
| CMS.gov/Medicare-Medicaid-Coordination/Fraud-Prevention/Medicaid-Integrity-Education/edmic-landing.html | |
| Prevention Toolkit | |
| CMS.gov/Outreach-and-Education/Outreach/Partnerships/FraudPreventionToolkit.html | |

### October 2015
To view all available NTP training materials, or to subscribe to our email list, visit

CMS.gov/Outreach-and-Education/Training/CMSNationalTrainingProgram/index.html

For questions about training products, email training@cms.hhs.gov